

CONSUMERS UNION *reports-*

JANUARY 1938



STOCKINGS

Lisle & Rayon

VITAMINS

A New Series

HOUSES:

Buy
Build or Rent?

MEN'S UNDERWEAR

14 Shorts & 14 Shirts

AUTO BATTERIES

Ratings of 13 Brands

LIFE INSURANCE

Comparison of Policies



Labor Notes, News,
Letters, Editorials
& Other Features



CONSUMERS UNION
OF UNITED STATES

LISLE STOCKINGS—see page 3

CONSUMERS UNION *reports*

Vol. 3, No. 1



January, 1938

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CU's ratings of products are based on both quality and price. A product rated "Also Acceptable" may be of higher quality than one rated "Best Buy" but the "Best Buy" will normally give greater return per dollar. In most cases a product rated "Not Acceptable" is judged not worth buying at any price, because of inferior quality or because it is potentially harmful. Products rated "Not Acceptable" for more specific reasons are so noted.

"We Resigned Because . . ."

CU HAS gone on record several times in the past few months as strongly opposed to an organization known as the Consumers Foundation.

We are opposed to it for two main reasons:

1) the preliminary work of organizing it has been made possible by a grant of \$25,000 from the Institute of Distribution, which is composed of chain stores and mail-order houses and is not by any stretch of the imagination a consumer group;

2) the number of bona fide representatives of consumers and consumer groups in its directing personnel has been suspiciously small.

Since last month the number has become even smaller. What has happened is pointedly revealed in a letter sent to one of the Foundation's directors by Donald Montgomery, Consumers' Counsel of the Agricultural Adjustment Administration and until last month a member of the Foundation's organizing committee.

With Mr. Montgomery's permission, we are printing his letter here. It tells a significant story.

Washington, D. C., January 6, 1938.

Mr. Raymond A. McGowan
Assistant Director
National Catholic Welfare Conference
Washington, D. C.

Dear Mr. McGowan:

Bulletin Number One of Consumers Foundation, marked for release January 8, states that the prospectus included in the bulletin is the final draft as prepared by Mrs. Bert W. Hendrickson, Mr. Stacy May, and Mr. Donald E. Montgomery and as approved by the entire committee. This statement is misleading. The prospectus was not originally drafted by us, although it now incorporates suggestions which we made and

omits many things to which we objected in the draft originally submitted to the Organization Committee.

The statement is further misleading in that it fails to disclose that we had resigned from the Organization Committee before the bulletin went to press. We resigned because decisions of the committee were not being carried out and because we were not convinced that the procedure followed was such as to insure an organization that would operate effectively and honestly in the consumer interest.

The statement is further misleading in its inference that by approving the draft of the prospectus we also approved its release for publication. We did not approve release of the prospectus and by-laws, since we regarded them merely as steps in a complete and proper procedure which, in our opinion, had not been followed.

From the beginning it was understood that final responsibility for and general circulation of the prospectus would rest with a board of directors of the number and representative character set forth on page 7 of the prospectus. In our opinion, these qualifications have not yet been met. No consumer co-operatives, farm groups or women's organizations which have been doing consumer work are reflected in the personnel of the present board. Only a small proportion of the board's membership can be said to reflect the point of view of labor and the great majority of consumers at low income levels.

Since we are not convinced that Consumers Foundation is prepared to furnish that representation of their interests which consumers of this country need, we have made this statement in order that unauthorized use of our names in the prefatory note of the release of January 8 may not be misinterpreted.

Mrs. Hendrickson and Dr. May authorized me to sign this letter for them as well as for myself. I am signing personally, not in my official capacity as Consumers' Counsel of the Agricultural Adjustment Administration.

Sincerely yours,

D. E. Montgomery

We congratulate Mr. Montgomery, Dr. May and Mrs. Hendrickson for their honest and forthright action. We predict that they will soon be joined by others.

Women searching for satisfactory

Lisle and Rayon Stockings

**will find that lises are far superior to rayon
for both wear and appearance; and that there
is hope of a better lisle product to come**



THE tight grip the silk stocking holds on the female American pocketbook may be traced directly to the neat appearance it makes on the female American ankle.

On the other hand, CU has found that many of the "sheer" and "medium" weight lises, tightly knit and full-fashioned, fit the leg surprisingly well considering the relative inelasticity of cotton.

Rayon in its present stage of development is unsatisfactory, chiefly because it lacks elasticity. Only full-fashioned rayons have been tested by CU. These fit the leg far better than the tubular-knit rayons that sell for 25c. But full-fashioned rayons at 39c were coarsely knit, tended to have bad streaks and occasional rings, and had poor quality feet. Those at 59c were knit more finely of Bemberg rayon, made a better appearance, but had rayon feet.

Rayon abrades badly when moist, and actually the 59c stockings were scarcely more satisfactory than the 39c ones, because the toes and heels developed holes rapidly. It is difficult to understand why these 59c stockings were not reinforced with cotton, as many silk stockings are reinforced, to provide extra strength.

Both the 39c and the 59c stockings creased at the ankle. Both are listed as "Not Acceptable."

Lises may be bought either in mesh or plain knits. The mesh (ranging from 75c to \$1) have the advantage of not wrinkling so noticeably at the ankle as either the rayons or the plain-

knit lises. No brand names were found in the cheaper lines.

One brand, the *Westminster*, is knit of highly mercerized, lustrous yarns with a close, crisp-looking mesh. Samples of these stockings which CU tested had poorly sewn, crooked seams, in many cases slightly bunched as well. Occasional missed loops contributed further to an unsightly and poorly wearing seam.

In the *Aimcee* brand this difficulty was avoided by a narrow plain strip knitted along each side of the seam. For those who object to a quarter-inch-wide seam this advantage is dubious. But wear tests showed that the *Aimcee* seams were considerably better than the *Westminster*. On the other hand, the *Aimcee* stockings were not so lustrous nor so tightly knit, and tended to get a fuzzy, cottony appearance.

Plain-knit lises come in a variety of weights, and their beauty varies inversely with their durability. "Chiffon" lises (at \$1 and \$1.25) look more like silk than any of the others but have the bursting strength of only 2- or 3-thread silk stockings.

"Sheer" lises (at \$1 or less in some cases) are probably the best compromise between beauty and service. "Medium-weight" lises (which sell for around 79c to 85c) are distinctly heavy and clumsy, although, being full-fashioned, they fit reasonably well.

While, weight for weight, lisle stockings are much weaker than silk, still the lisle have the advantage of not snagging badly or springing runs quickly when a thread is broken, and mends

are less conspicuous in them. It is difficult to get uniform fabric thickness with such an uneven fiber as cotton; light-colored sheer cottons are therefore apt to be better-looking than dark, since the white of the skin shows through the uneven portions of the dark hose and gives an unpleasant mottled effect.

The poor choice of colors at present available in lisle stockings is discouraging to women accustomed to the almost infinite variety obtainable in silk. Furthermore, \$1 for a 42-gauge, not-too-sheer cotton stocking is unjustifiably high.

IN THIS connection, it is perhaps not too improbable that the hosiery trade was trying for a time to stifle the silk boycott movement by not responding to the demand for a plentiful supply of suitable silk-substitutes. Certainly the supplies generally have been anything but adequate.

There are signs now that, as a result of the insistent consumer demand, production and distribution of lisle stockings is being much increased. Reportedly, more than fifty manufacturers have entered the field in the past few weeks. The influx is partly the outgrowth of a campaign to promote lisle undertaken by interested trade elements last spring. But that consumer pressure has been a major factor is hardly to be denied.

A word of warning to boycott supporters who are being sold cheap silk stockings as rayon or even (see *December Reports*) as linen is appar-



Top to bottom: "Chiffon" lisle—best appearance but poor wear; "Sheer" lisle—fair appearance and good wear; "Medium" lisle—heavy appearance, good wear

ently in order. If a stocking is sheer and looks and feels like silk, *don't accept the salesclerk's word that it is not silk*. Demand a clear and definite label, or a written guarantee. CU shoppers discovered two retailers in New York City—Albert's Hosiery Chain and Bain Bros.—selling silk stockings as rayon and linen respectively.

It is true that rayon filaments can be made as fine as silk filaments, but they are not so strong as silk, and consequently more rayon filaments must

be twisted into a heavy thread to be at all serviceable. Keep in mind that when the rayon industry produces a stocking that looks and feels like sheer silk, that stocking will be accurately labeled, and the news will be broadcast in every household magazine.

Imports are legally supposed to be identifiable by the consumer. Wanamaker's in both Philadelphia and New York is selling sheer "crepe" lisles at \$1.35. These are stamped "Made in Germany," but the stamping on some is indistinct. The proportion of German and Italian imported stockings is so small that none were tested.

Groups are listed in order of general satisfactoriness. The "sheer" lisle stockings offer the best compromise between appearance and wear.

"Sheer" Lisle—42 Gauge

Should wear at least as well as a good 4-thread silk

Best Buy

CD Cat. No. 1007 (Cooperative Distributors, NYC). 79c or 3 for \$2.29 plus postage. Slightly more coarsely knit than others of this group.

Also Acceptable

Bryn Mawr (Belmont Knitting Mills, Franklin, N. H.). Cooperative Distributors Cat. No. 1005, 94c each or

3 for \$2.75; \$1 in department stores. Best-looking of group.

Belle Knit (Belmont Knitting Mills). \$1. Somewhat uneven thickness in some pairs.

Aimcee (brand name of Associated Merchandising Corp.*). \$1. Uneven thickness in some pairs.

Saks (Saks Fifth Avenue, NYC). \$1.25. Clocked. Leg width somewhat skimpy in knitting. Slightly heavier than Aimcee, but good appearance.

"Mesh" Lisle

Best Buy

Aimcee. \$1. Fairly heavy-looking, with soft, unmercerized, "cottony" yarns. Well made, with strip of plain knitting along sides of seam. Wore exceptionally well.

Also Acceptable

Westminster (Westminster, Ltd., NYC). Cooperative Distributors Cat. No. 1006, 94c each or 3 for \$2.75; \$1 in department stores. Highly mercerized yarns and tight mesh, giving a silky appearance. Would be better if more carefully sewn in seams. Examine the seams carefully to see that all the mesh loops are caught, that there are no unsightly bunches, and that the seams are reasonably straight.

Mesh stockings below \$1 available at department stores. Apt to be a more open mesh with soft, "cottony" texture. Should give satisfactory wear, price considered.

The following stockings were not on the market when CU's tests were begun. They have not been tested, but superficial examination disclosed no apparent flaws:

Durene (Peck and Peck and other stores). \$1.15. Available in colors for sport wear. Fancy rib and mesh

* The following stores are members of the Associated Merchandising Corp., and may carry the Aimcee stockings listed: Bloomingdale's, NYC; Abraham & Straus, Brooklyn; Burdine's, Miami; Filene's, Boston; Thalheimer, Richmond; Strawbridge & Clothier, Philadelphia; L. S. Ayres, Indianapolis; Boston Store, Milwaukee; Dayton Store, Minneapolis; J. L. Hudson, Detroit; Bullock's, Los Angeles; Capwell, Oakland; Emporium, San Francisco.

knits. "Durene" is the trade name for a mercerized cotton put out by several manufacturers.

Phoenix (Phoenix Hosiery Co., NYC). \$1. An open mesh. Fairly neat seams.

Top to bottom: "Mesh" lisle—little wrinkling but note the bad seam; Viscose rayon—inelastic and apt to be streaky; Bemberg rayon—rayon feet wear badly

"Medium" Lisle

Appearance poor but should give longer wear than a 4-thread silk

Best Buys

Bryn Mawr. 79c. Wore well. Leg looks like a 7- or 8-thread silk.

Belle Knit. 79c or 3 for \$2.34. Above comments apply.

Morley (I. and R. Morley, England; imported by various department stores). \$1.25. A "suede" finish, heavy lisle, good for outdoor wear.

Also Acceptable

McCallum Lolisle (McCallum Hosiery Co., Inc., NYC). Cooperative Distributors Cat. No. 1001, 89c or 3 for \$2.65; \$1 in most department stores. Somewhat heavier than *Bryn Mawr* or *Belle Knit*; not quite so smooth in appearance. Made of rayon and cotton plied.

"Chiffon" Lisle

Good appearance; very poor wear

Bonnie Doon (English imports). \$1.15. Has most nearly the appear-

ance of a silk stocking. About as strong as a 2-thread silk. Fragile.

Full-fashioned Rayon

Not Acceptable

At 39c, some department stores sell a coarsely knit, heavy stocking made of viscose yarns. Samples tested had poor quality cotton feet. Several stockings tore as they were put on for the first time; others lasted a week or more. Fair appearance, although some stockings were un-

evenly knit and had vertical streaks. At 59c, a more finely knit stocking made entirely of Bemberg rayon is available in some department stores. Better construction and appearance than the 39c rayon. Would be "Acceptable" except for feet, which, being made of rayon, abrade quickly when moist and soon go through at the heels and toes.

A Note on Labor

Only one of the lisle brands tested was union-made

THE only union-made lisle hosiery included in CU's test, according to information from the American Federation of Hosiery Workers, was *McCallum Lolisle*. *Belle Knit* stockings are non-union; the origin of *Aimcee* and *Bryn Mawr* is unknown to the union. *Westminster* stockings have been imported from Spain in an unfinished state.

Two other brands of union-made lisle hose not tested by CU are *Phoenix* and *Strutwear*. Several other union mills are beginning to produce lisle stockings, CU is informed by Alfred

Hoffmann, manager of the federation's research department. Manufacturers of silk stockings can use the coarser gauge full-fashioned machines for lisle production.

At least to the extent that existing machinery in silk hosiery mills can be adjusted for a lisle output, it would appear that the boycott of Japanese silk does not permanently penalize American workers. Mr. Hoffman points out, however, that "any estimates on temporary unemployment or re-allocation of workers would be no more than guesses."



The A. M. A.'s Die-Hard Department

THE trouble with medicine is not that there are too many physicians but that there are too few patients able to pay for adequate medical care." So declared Dr. Kingsley Roberts, medical director of the Bureau of Cooperative Medicine, in a nationwide broadcast last month.

The statement has been made many times; and should continue to be made, so long as the situation it points up continues to exist. Actually, not more than one in every four Americans gets adequate medical care. Three out of four either get inadequate care or none at all.

One heartening step toward curing this disease in the organization of medicine we reported last month: the revolt of the progressive wing in the American Medical Association, led by 430 distinguished physicians with a program based on the principle that "the health of the people is the direct concern of the government" (see *December Reports*).

But meantime the reactionary wing of the A.M.A. continues to wheel up its guns. Last month's report on the

A.M.A. must be countered with a report that is not so heartening.

In St. Louis, Mo., there is a group called the Wage Earners Health Association. Its function is to bridge the gap between the cost of medical care and the money available for that purpose in low-income families. This it does, as do similar organizations in other cities, by providing medical service at low cost through cooperative organization. The Wage Earners Health Association serves some 300 member families on this basis.

Some time ago the association was informed in the *Journal* of the A.M.A., that what it was doing was "eating at the vitals of the medical profession"; further, that legal steps may be taken to restrain its activities. The legal threat, as the Bureau of Cooperative Medicine points out, originates with the St. Louis County Medical Association, backed by the die-hard department of the A.M.A.

IT HAS happened before. Just about two years ago the established medical profession in Oklahoma set forth

to destroy the Farmer's Union Cooperative Hospital in Elk City. Chief offensive was directed against Dr. Shadid, director of the hospital, whose license the Board of Medical Examiners tried to take away.

As reported in *The Nation* at the time, the medical profession grabbed a bear by the tail. Dr. Shadid was manifestly competent; and the Farmer's Union was both alert and powerful. The combination of the two factors brought support from both Governor Murray and the Oklahoma press. The Union's medical care continued.

How the much less potent Wage Earners Health Association will fare in its fight is a matter of concern. It is doubtless true that it has a bad effect on the business of some St. Louis doctors. But the ultimate responsibility for that would seem to lie with the organization of medicine, which has forced consumers to do for themselves that which is not done for them.

The actions of the reactionary A.M.A. in St. Louis simply emphasize the need for such a program as the progressive A.M.A. has called for.

Repercussions from the Yangtze

THE bombing of the Panay on the Yangtze River has had repercussions even in the CU office. Specifically, news of the bombing was followed by a strongly increased pressure of demands from members for ratings of non-silk hosiery.

CU's first report on non-silk hosiery (lisle and rayon) is presented in this issue. Members are warned to read it with reservations, however. So rapidly are the demand and the market for such hose developing that this report can be only a temporary guide.

The extent to which the boycott of Japanese products is affecting the American market generally can be judged from the fact that two major chains—S. H. Kress & Co. and the McCrory Stores Corp.—are reported to have informed their buyers to place no more orders for Japanese goods "until further notice."

Opinion in and out of the drug trade, where low-priced Japanese goods have for long maintained high volume, seems to admit the possibility that some drug chains may follow the lead of the two variety store systems. Meantime, according to *Drug Trade News*, consumer objection has compelled individual druggists, wholesalers and manufacturers to stop the purchase of numerous Japanese goods. Items included are bristle goods, powder puffs, toys, rubber products, combs, vacuum bottles, etc.

Fashion leaders of the stage and screen were giving special impetus to the stocking end of the boycott last month and indications were that their initiative was having its influence on their followers.

Along with the actresses has come that other important group of fashion makers, the college girls. In schools

throughout the country thousands of them have made and are making pledges to abandon silk stockings "for the duration."

THE practical meaning of such activities to consumers in general is that American manufacturers anxious to capitalize on whatever trend may develop are moving in with substitutes for silk. At the Cotton Institute's Fashion Show in New York City last month 150 fashion editors and stylists were startled by the number of items produced, according to the *New York Times*, "to meet the demand of consumer groups and others who have inaugurated movements for boycott of Japanese merchandise."

CU will continue to be guided by the wishes of its members in testing and reporting on new products offered as substitutes for Japanese goods.

Before you decide to buy or build

A House of Your Own

prepare yourself for the complex job you will be undertaking. In a series of articles, of which this is the first, CU attempts to supply prospective home owners with a "layman's technique" for that job



OUT of the eight or ten million families who are going to select new homes in the next ten years or so, the vast majority will not know until it is too late whether they have got what they wanted, or even what they should have wanted.

The layman's unawareness of the multiplicity of factors involved in home-buying is partly responsible for this. The curious nature of the home-building industry is no less to blame.

If you look at a house standing on its land, it seems a simple enough affair. But actually that house represents a whole complex of social, economic, spiritual, and physical factors.

It's a tough job, in the disorganized condition of American cities and suburbs, to build the right house for the right family in the right community, in the right relation to the land and to other houses, to schools, to highways and street cars and railroads, and still more difficult to build it so that it will stay right in respect to all these factors.

The consumer's relations with the ordinary industry are comparatively simple and straightforward. If you buy an automobile, you buy one of a dozen or so known makes. With stockings, electric fans, shoes, bedding, etc.—no matter how many different manufacturers' parts enter in—there is one concern that assembles the parts into one product and is responsible, at least technically, for the final product as sold. For whatever it is worth (and admittedly it is not often worth much) you can see and handle the product before buying it.

Finally, most products are fairly uni-

by ALBERT MAYER

Mr. Mayer, a practicing architect in New York City, has also done considerable work in governmental and municipal housing projects. He was the principal architect for the Suburban Resettlement Administration.

Future Articles

THE series on houses and building materials which begins with this article will include six or more articles running in the *Reports* consecutively.

Among the topics to be taken up in these articles are the following:

- The Community and the Site.
- Orientation and Plan of the House.
- Furnishability and Style.
- The Meaning of Commercial Grades.
- Tests, Guarantees and Certificates.
- Maintenance.
- Structure and Structural Materials.
- Exterior and Interior Finish.
- Water-and-Air Tightness.
- Plumbing, Heating and Illumination.
- Insulating Materials.

form nationally. CU can report on a Westinghouse fan, on a Chrysler convertible, on a Florsheim shoe, and that report is reasonably valid for the particular product at the particular time in any part of the country.

The home-building industry is on a very different basis. The fact that you have a satisfactory toilet bowl doesn't mean that your plumbing won't leak. The fact that you have good insulating material doesn't indicate what the economy in heating will be, because so much depends on installation.

Your house can be only as good as

the local builder. As he generally sells you only one house in a lifetime, the incentive is toward maximum profit on the one transaction. Such deficiencies as there may be in the house customarily show up after payment, or even after the house has passed into another ownership. And the contractor may consequently be less concerned with them than he should be.

In most industries there is complete shop fabrication under controlled conditions. In the home-building industry, there are accidental variations due to varying degrees of skill of mechanics and laborers, variations due to lengths of time allowed for drying and curing of plaster, concrete, etc.

Even if houses were completely shop-produced, no two could be exactly the same. Every house has its own site and its foundations must be fitted to that site. The soil differs, the water supply differs, the community differs, the school facilities differ, the tax rates differ, local materials differ, zoning and deed restrictions differ.

A GREAT deal of material has appeared on the subject of houses, much of it good, but it always has had one of several defects.

It has appeared in scattered pamphlets, such as those issued by government bureaus or manufacturers' associations, and has failed to give one coherent presentation.

Or, where it has tried to cover the whole field, it has presented such a torrent of facts without organization that it has been hard to follow in the first place, and almost impossible for reference use later.



PHOTO DUFFY

BUY, BUILD OR RENT: ONE ANSWER

... to the problem is provided by suburban group houses of the type shown above (there are two and four houses to a building). Their particular advantages are that they offer the benefits of a planned suburban community, especially important to families with children, without the uncertainties and financial obligations incurred in buying or building in such communities.

In this series of articles CU is not trying to make a technician out of the layman, or counseling him to throw in the sponge and leave everything to the technicians and to the real-estate dealers.

The aim is to supply what might be called the "layman's technique," to acquaint him with the major factors in the home-building problem, to point out the principles that should guide him and the industry in the series of definite decisions that result in a finished house, to enable him when he finally occupies his house to feel first that he knew what to seek in his house and its environment, and second that he came as close as possible to attaining it.

Buy, Build, or Rent: I

FIVE principal reasons are commonly advanced for buying or building as against renting. Let us examine them.

Profit on Resale. The argument here runs as follows: Shortage will lead to increasing demand; increasing construction to meet the demand will lead to probable price increases; you thus have a chance to buy or build more cheaply now, before this situation comes about. These arguments may be true—for the professional real-estate

man. But the layman should severely avoid this particular pot of gold at the end of the rainbow.

Buying or building a house as a financial speculation has several disadvantages. You are unable to liquidate promptly in case of need. You have the nuisance of management problems—maintenance and repairs. You are confronted by the necessity of periodic payments of taxes and interest.

As for the eventual sale, even when it shows a paper profit, it is rarely all cash above the first mortgage. The profit is in a second mortgage running over a period. Long before final payment it may be defaulted, and the property may be in a rundown condition, requiring the expenditure of a great deal of money to restore it.

Dealing in a house or houses is a business. Leave it to those whose business it is. You may hear of people who have made money at it; you will hear nothing of the greater number who have lost.

Economy. The argument is that the sum of taxes, insurance, interest, amortization, and maintenance-repairs on a home built or bought at present prices will be less than boom rentals. A valid argument, except that it omits to count interest on your down payment in an owned house, interest that

you would earn if the money were otherwise invested.

There are, in addition, two objections to this line of reasoning.

One is that your fixed charges go on inexorably in bad times, generally at the same rate as in good. At these times rentals for similar houses are much lower, for they are not economic rents determined on the basis of expenses. Landlords, banks, and distressed home owners rent for whatever they can get. You will probably overpay for about as many years as you underpay.

The second objection is that your original cash investment would otherwise be available to meet the higher rentals you are trying to guard against. You eventually own the house, but if you should for any reason lose it, then you would be out of pocket as against rental payments over the years.

Improvements. Among the most pleasurable and powerful impulses is the urge to change, improve, add to your own house and garden. It is, further, often necessary to adjust one's home to unanticipated needs. In a rented house, you may not be able to obtain permission to make such changes. In any event the improvements must be left behind—or, worse, the landlord may require additional expenditure to restore the house to the condition it



EWING GALLOWAY

WHAT WILL HAPPEN TO THE COMMUNITY

... around this lot? That question is one of the most important questions in the whole problem of home ownership. To build the right house for the right family in the right community, and to build it so that it will stay right in respect to all the factors involved, is a tough job. But many will undertake it who realize its difficulties. For home ownership is more than an intellectual process.

was in at the time you rented it from him.

Children. Unquestionably our present-day cities are unsuitable places for the rearing of children. As the outlying districts and suburbs offer better conditions, and as there are relatively few apartments or houses for rent there, the choice is frequently between city upbringing or purchase of a suburban house. The house is the rational choice.

But where a satisfactory house can be rented, or a suburban apartment with adequate grounds and adjacent play spaces, that is the preferable solution.

The house you build or buy may become too small as your family grows, or as the children grow older and require separate rooms. When they marry and leave, it may finally be too large to run physically and maintain financially.

If you rent, you *can* move away from a deteriorated neighborhood; you *can* move to a smaller or a larger house.

Suitability. If your requirements are exacting, if you want to create a home that will exactly meet your needs and ideas, you will in general conclude to build your own house. If you have other particular requirements—to be part of a certain community, near a

particular school, in localities where there are no houses for rent—those considerations may be of sufficient importance to induce you to buy or build regardless of the other points enumerated.

Buy, Build, or Rent: II

LINKED to the five basic factors that we have just summarized are five others with an important bearing on home ownership. Let us examine these.

Maintenance. Keeping a home in good repair, daily efficient operation of the heating system—these are obligations that may be an unmitigated nuisance to some people. On the other hand they may be a source of pleasure to those who like to tinker around houses. For those who don't like or understand such work, there will be the extra expense of having it done. A question of temperament and experience is involved here which should be weighed at the outset.

Purchase Price (Relation to Income). No rule exists to cover this point, though various rules of thumb are given—for example, purchase price should not exceed twice the annual income. In the case of a house bought with maximum mortgage, this

ratio is too high, because when annual charges for interest, amortization, taxes, maintenance, replacements, and heating are added up, the total exceeds the proper proportion of rent to income.

The ratio should normally be one-and-one-half times the annual income. But the following questions affect any rule:

1. Can steady income be counted on for the long period of years during which payments must be made?
2. What are the chances of your being forced to move, or shifted elsewhere to work?

The pragmatic tests are these: Can you make the down payment without being strapped in case of illness or other sudden need? Have you the temperament to sacrifice the investment without excessive regret if contingencies arise that compel you to do it?¹

Yearly Expense (Relation to Income). This is just another way of considering the previous problem. While generally a formula is quoted here also—for example, financial charges, taxes, maintenance, re-

¹ It must also be borne in mind that in making a mortgage the home owner is personally liable just as on a note, so that in case of foreclosure he is still liable for the remaining payments, less whatever is realized on the sale.

placements, and heating costs should be one-fourth to one-fifth of income—it doesn't have much meaning in any individual case. For with the same total income, a family of six will normally pay more for shelter than a family of four. The answer here is a budget for the individual family.

In making up such a budget, you must not deceive yourself with the idea that investment in a house or payment of amortization is equivalent to a savings account. Quite the contrary. Additional savings are required for periodic replacements, and for unexpected expenditures such as special assessments.

Total Expense. Bear in mind that total cost of shelter is the important question: the sum of rent (or interest plus amortization, plus maintenance, plus replacements, plus taxes), water rate, heat and hot water, light, fuel for cooking, garbage collection, transportation to work and school, cost of education, differences in food costs, and interest on down payment. This is the significant total. Saving in one item may be more than nullified by increases in others.

Amortization. Amortization is the amount paid each year in addition to interest, to reduce the amount of mortgage and eventually to wipe it out. Amortization is not saving, and the safe way to figure it is as expense, because: (1) it is never available in cash; (2) you cannot use it to pay for replacements; (3) by the time the accumulated payments make the house your own, the house itself will be worth less physically, the neighborhood may have deteriorated, you may have to move away, the house may no longer be suitable for you due to marriage of your children or for other reasons.

THESE are the cold facts about home ownership, and they must be given weight before going into it. Home ownership is not, however, a coldly intellectual process. It is the response to human needs and impulses, and many of us will undertake it who realize its difficulties. But whatever our eventual decision, we shall be better off for knowing the problems we face. Next in our general thinking we should consider financing and taxes and the kind of house.

Financing and Taxes

THE two most sensible ways of financing the purchase of a house are:

1. By the largest loan obtainable and with the minimum amortization. In this case one invests little money at any time, and has many of the advantages of ownership while paying little more than rent.

2. By a very small loan rapidly amortized so that one owns the house outright at the earliest possible moment, with corresponding savings in yearly expense and security of real ownership at an early date.

The intermediate method of a medium-sized loan has the advantage of less fixed charges than with the high mortgage. But if you get into trouble and there is a very large mortgage on your house, the mortgagee is likely to be lenient because it will be difficult for him to dispose of your house without loss; if you have a smaller mortgage he can afford to be drastic because he can resell the house without loss.

In general, the long-term (15- or 20-year) single mortgage is much the most preferable. This generally provides for monthly amortization payments which cancel the mortgage at the end of the term.

With the short-term (3- or 5-year) first or second mortgage, you will at best have to find a relatively large single sum to pay off part of the mortgage on renewal, often with bonuses on top of that. At worst, you will not be able to arrange for a renewal at all.

Be sure to examine the make-up of the fixed charges. Two houses may have the same total fixed charges, but one may have the advantage of lower interest rate and higher amortization than the other—that is, you will own the house sooner.

As for taxes, ask yourself these questions and find out the answers:

1. How does the tax rate in the new location compare with your present rate?

2. How does the ratio of assessed valuation to actual cost compare with the ratio where you are?

3. Have you checked on all the taxes—local, county, and state if any?

4. If you have a city residence in one state and a country residence in another, is your income subject to any additional tax?

5. Are there any outstanding special assessments for sewers, paving, etc.?

6. Are any improvements contemplated that will result in special assessments?

What Kind of House?

Existing Houses—Genuine

Period. If a passionate love of, say, authentic New England Colonial or Dutch Colonial is a ruling factor in your choice of a house, then you must prepare to put up with much inconvenience. These houses were erected under totally different conditions—their shape is often rambling and ill suited to central heating, rooms are often small and at slightly different levels, windows are small, plumbing is usually primitive and must be added to or replaced. Because of age, alterations and upkeep are costly. One either suffers to gratify one's historic nostalgia, or one spends excessive amounts on alterations and upkeep.

Existing Houses—Recent.

A house in which alteration is not necessary, and whose price is satisfactory as compared to that of a new house, is often an advantageous choice for the prospective home owner. Such houses are generally in a going community whose character can be judged. The landscaping has generally matured.

But when they are offered cheaply it is often because they are larger than normal requirements, in which case the excessive costs of heating and upkeep may soon wipe out the original saving in cost.

Existing Houses Requiring

Alteration. Costs of alteration almost always exceed estimates. As these will in general have to be paid in cash, the total cash investment often exceeds that for a new house. By the same token, the total cost may also be in excess. Maintenance and replacements cost more than in a new house of the same quality.

New Houses. These include houses built as one of a quantity by a subdivider and builder, or houses built especially for you through architect and contractor. The prime advantages of a subdivider-built house are three:

1. It is there. You can see it in the flesh.

2. Generally it has a practical layout to suit average needs.

3. The total cost and the cash investment are definitely known.

Disadvantages are likewise three:

1. The builder's primary interest is minimum first cost; the purchaser's primary interest is minimum ultimate cost. Excessively low first cost may entail excessive maintenance and replacement with higher ultimate cost and recurrent headaches.²

2. There is no way to tell exactly how well or badly the invisible parts of the house were built.

3. The plan and the materials never completely suit the individual family. Money has generally been unwisely spent on colored tile, "rumpus rooms," "artistic" plaster, false gables and towers.

The individually designed house, where the family has given careful preliminary study to its requirements and desires, with a sensitive and conscientious architect who knows planning and materials, has obvious advantages over any other kind of house. Layout and selection of materials will meet the individual requirements best. Control over quality of materials and workmanship is possible.

While the first cost of the house may be higher, due to better materials and workmanship, the ultimate cost may very well be less, due to lower upkeep cost. And the owner saves the advertising and sales expense of the subdivider or speculator-built house.

On the other hand there is the extra cost of the architect's fee, which runs from 6% to 10%.³ Also, final cost of the house may exceed preliminary estimates due to the architect's and the contractor's optimism, or due to extras caused by the failure of the owner to have all of his requirements visualized before the contract was let. One purpose of these articles is to help eliminate this latter totally unnecessary item.

² Before buying an existing house or a new subdivider-built house the purchaser is strongly urged to engage a competent *disinterested* person (architect, engineer, building appraisal service—not a real-estate broker) not only to value the house but to report in detail on its construction and condition. Money so spent will save endless annoyance later, and probably much more than the cost of this service.

³ In a later article we will go into methods of getting partial but often reasonably adequate architectural services at lower cost.

The danger of designing a house so peculiarly suited to family needs that its possible resale may be jeopardized must, of course, be guarded against.

Likes and Dislikes

WHETHER you eventually come to the decision to buy or to build or to rent, you will assure yourself of the most satisfactory house if you and your family will start some organized thinking at least a year or two in advance, to determine what you need and want.

You should accumulate a list of likes and dislikes, whether in your present home or in friends' homes. Such lists should include everything from location and community to the house itself and its details: room arrangement, sizes, exposures, furnishability; closet sizes and arrangements; kitchen layout; laundry location; kind of lighting and heating; even to such details as telephone locations.

Once you have such a list, project it against an analysis of family habits and functions. For instance, room interrelations and sizes will depend on such questions as whether the children study in their own rooms or not, whether you work at home at night or not.

At this point analyze your list to be sure that it is a personal and family list that relates to *your* requirements. Don't be bullied into things just because your friends have them (often unnecessarily) or because magazines or decorators say you must have them. Don't ignore these sources either. But they're certainly less than infallible, and you should know your own problems better than others do.

Since you will not get everything you want in any house on earth, divide your list into "musts" and "mays."

And under no circumstances buy or build a house without checking against this list. Compare the various houses you are contemplating by checking off against the list. Nobody, layman or professional, is clever enough to think of more than a relatively few requirements when looking at a house.

Any personal list must be supplemented by technical check lists concerning environment, structure, and materials, which will be covered by subsequent articles.

Laundry WORKERS

★

LAST spring the League of Women Shoppers wound up a year's research into the status of laundry workers in New York City with a forthright and impressive pamphlet on the subject. Reviewing it, we cited its findings to the effect that women laundry workers had been found working for as little as \$6 for a 60-hour week (\$312 a year), that the average wage of all the women interviewed was \$13 a week (\$676 a year).

Last month the New York State Department of Labor wound up some studies of its own with a set of figures thoroughly substantiating the League's. And further, the Department's statisticians noted, during 1936 73 per cent of the women workers earned less than \$15 a week (\$780 a year).

With the release of this news the Department of Labor informed the Laundry Wage Board of New York State that a working woman in New York State requires a minimum annual income of \$1,078 for "adequate maintenance and protection of health" if she lives with her family, or \$1,215 if she lives alone.

There is no reason to believe that New York is unique in the treatment of laundry workers. And as we said last July, it seems obvious that the general consumer is directly affected.

The viciously low living standards which the League found among laundry workers are an inescapable condition of the enormous gap between a "minimum" income and the prevailing wages. Such living standards set up conditions of filth and disease which, aside from other considerations, have no place in a laundry.

Now that the League's findings have been confirmed and highlighted, it is in order to urge again support of the League's recommendations: unionization and minimum wage laws. By her support of appropriate legislation (such as the Black-Connery Wage and Hour Bill), and by her patronage of unionized laundries (the League found both wages and working conditions above average where unions existed), the consumer can do herself and her community a badly-needed service.

Men's Shorts and Shirts

Ratings of 14 brands of both reveal some startling variations in and between brands. Arrow shorts were the best, but the 50c Arrow shirt was not so good as others half the price. B.V.D. shorts were "Not Acceptable," but B.V.D. shirts ranked as good buys.



THE essentials of a satisfactory pair of shorts are simple enough: strong fabrics carefully cut and sewed and a reasonably good fit both before and after laundering. The advertisements suggest that you shouldn't have the least difficulty in satisfying yourself (they don't get very specific but they do go in for handsome generalities). The well advertised *B.V.D.*, for one, is presented as a very paragon of underwear virtues. It's a pity that *B.V.D.* doesn't deliver what it offers. CU's tests showed low tensile strength in both the 55c and the 35c *B.V.D.* shorts as well as shrunk dimensions excessively below standard size.

Both *B.V.D.* shorts are consequently rated "Not Acceptable," along with *Woolworth's* "Special 7 Feature" at 25c. Of the fourteen kinds of broadcloth and madras shorts tested, two rated as "Best Buys" on a price and quality basis. But only the *Arrow* stood up, from the standpoint of pure quality, as really satisfactory shorts on all counts.

Two shorts of each brand and price line were tested. Where possible, one was solid color and the other figured. The models chosen were the three-button front, elastic-back or -sides type when these were available. A few French (button) back and tie sides had to be included.

All garments were measured for comparison with standard sizes both before and after laundering; all were tested for tensile strength, thread

count, and colorfastness to laundering with soap containing alkaline builder; all were examined for number of stitches per inch in the seams, quality of buttons used, and general workmanship.

IN THE ratings, tensile strength and fit after laundering are given greatest consideration. None of the fabrics had a lower tensile strength than the trade's generally accepted minimum of 20 pounds. But there was great variation; and on a comparative basis there is no doubt that at the same price—55c—a *Varsity* fabric with a tensile strength of 71 x 36 is a better buy than *B.V.D.* with a score of 56 x 26, other things being equal.

Very few of the garments met exactly all of the dimensions required by the accepted trade standard. Measurements were taken on the new garments to cover the following points: total length, thigh, waist, leg width, front rise, back rise, length of inseam, and width across seat. After laundering, the shorts were again measured in the length, waist, leg width, and front rise.

Shrinkage itself was found to be a poor basis for rating. *Woolworth* shorts at 25c did not shrink as much as *Reis Jimpant* at 55c. But the *Reis Jimpant* shorts were generously cut and shrank to only slightly below standard dimensions, while *Woolworth's* were cut far below standard dimensions to start with.

Had the *Woolworth* shorts been

uniformly skimped, they would still have been good buys if extra large sizes had been purchased. But the waist dimension, which corresponds to the size marking on the garment, was large enough and did not shrink appreciably. It was the skimping in the width of leg, seat, and inseam that made *Woolworth's* "Not Acceptable."

Four brands were marked Sanforized. All of these shrank more than the advertised limit of $\frac{3}{4}$ of 1% shrinkage or less (*Arrow* came closest to the limit), but only two of the remaining ten brands shrank as little as the shorts marked Sanforized. *Manhattan*, "guaranteed against shrinkage," shrank about one inch in the waist.

In general, findings on the two pairs of each brand tested were consistent. Discrepancies that were found are noted.

FOR strong fabrics at low price, buy shorts at a quarter from Kress's or Grand's rather than the three-for-\$1 nationally advertised shorts. In any case you will profit by comparing several different fabrics of the same brand for tightness of weave, and—within a given price line—choosing the ones that are most tightly woven. Differences between standard-grade broadcloth weaves are generally enough to make them distinguishable on careful examination.

Look at the stitching of buttonholes and at the quality of the buttons. If buttonholes are "botched" or already

raveling they will not give good service. If buttons are uneven and too thin they will crack in laundering. Estimate the length of elastic inserts on the elastic-back shorts. Six inches is minimum standard. A shorter insert will wear out more quickly, with a sloppy fit resulting.

Shorts are of the elastic type unless otherwise noted. All but one had satisfactory colorfastness.

THE shirts tested were both plain and rib knit. Only one sample of each brand was tested. They are rated mainly on bursting strength and size, with some consideration given to the construction, although this is a matter of far less importance in shirts than in shorts. Weight of the shirts was not included in rating them; whether a light or a heavy shirt is better is a matter of climate and personal preference.

Quality of shirts bore less apparent relation to price than the quality of the shorts did; many of the low-priced brands were as good as those higher in price, or even better.

Men's Shorts

Best Buys

Arrow Stride and Arrow Grad (Cluett, Peabody and Co., Inc., NYC). 65c. High tensile strength, good construction; well cut and no appreciable shrinkage.

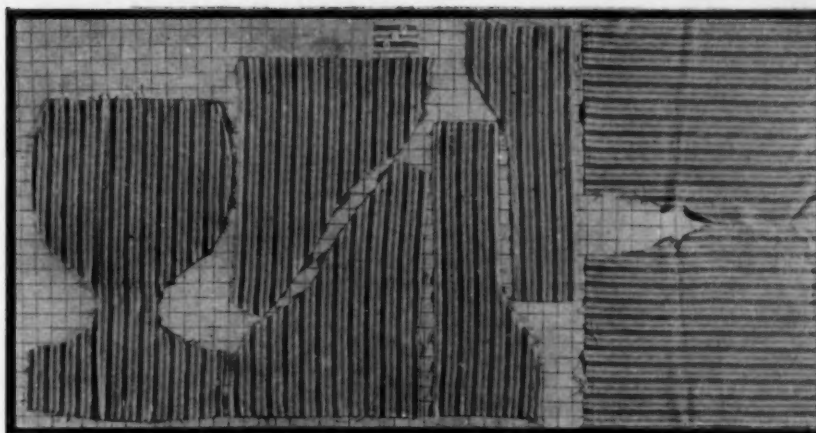
Kress (S. H. Kress stores). 25c. Fairly well cut, but shrank to considerably below standard size. Cheap construction. Fabrics variable, but the one with higher thread count had fairly high tensile strength. Buy a generous size and choose a tight weave. A "Best Buy" considering price, if purchaser makes a careful selection.

Also Acceptable

(In approximate order of merit)

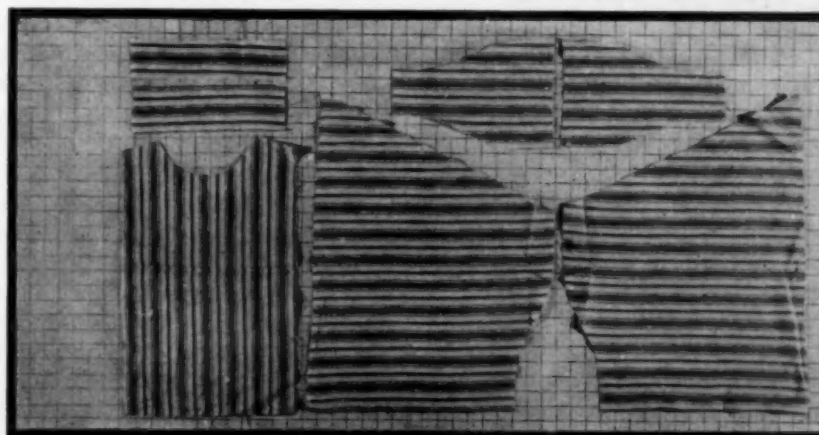
Penney's (J. C. Penney stores). 39c. Well cut and shrank only slightly below standard size. Good buttons but otherwise cheap construction. Fabrics variable; the one with higher thread count (tighter weave) had medium tensile strength, and is a good buy.

Manhattan (Robert Reis and Co.,



THESE ARROW SHORTS—SIZE 34

... although cut to an unusual design, illustrate the careful shaping which any well made shorts are given. Note the extra amount of material in these shorts as compared to the material in the Woolworth shorts below. The Arrow shorts shrank less than any other tested.



THESE WOOLWORTH SHORTS—SIZE 34

... show that careful attention has been given to cutting the pieces as straight as possible, thus to get the most shorts out of the least material. Fit and hang were secondary considerations. The waist measurement was ample, but the leg width and the crotch dimensions were badly skimmed.

NYC). 3 for \$1. Fairly well cut; shrank somewhat below standard size. Cheap construction. Fabrics variable; the one with higher thread count had medium tensile strength, and is a good buy.

Reis Jimpant (Robert Reis and Co.). 55c. Four shorts tested, including the "Drape Short" and the "Vicomte" models. French back. Generous cut, fair construction. Shrinkage and tensile strength varied with different fabrics, but average shrinkage was only slightly below standard dimensions, and av-

erage tensile strength was medium. **Varsity** (Varsity Underwear Co., Inc., Baltimore). 55c. Both side-tie and elastic-back models. High tensile strength, fair construction. Well cut, but shrank considerably below standard size. Solid-color blue broadcloth had poor colorfastness to washing. Buy generous size.

Wilson Super Shorts (Wilson Bros., NYC). 55c for "Nobel" type with elastic back and "grippers" (snaps) instead of buttons. 69c for French-back style. High tensile strength, and fair construction. Well cut, but

shrank somewhat below standard. **Mansco** (Manhattan Shirt Co., NYC). 55c. Side-tie style. Good construction, medium tensile strength. Well cut; shrank somewhat below standard size.

Short-eez (Superior Underwear Co., Piqua, Ohio). 69c. French back. High tensile strength, good construction. Fairly well cut, but shrank considerably below standard size. Buy generous size.

Macy's "7 Points of Quality" (R. H. Macy & Co., NYC). 33c. Good buttons but otherwise cheap construction; low tensile strength. Well cut; shrank slightly below standard size.

Grand's (H. L. Green stores). 25c. Fairly high tensile strength, but cheap construction. Skimpily cut, and shrank excessively below standard size. Buy a size larger.

Not Acceptable

B. V. D. (B. V. D. Co., Inc.). 55c. Fairly well cut, but shrank excessively below standard size. Fair construction, but fairly low tensile strength.

B.V.D. 3 for \$1. Fair construction, but low tensile strength. Skimpily cut, and shrank excessively below standard size.

Woolworth's "Special 7 Feature" (F. W. Woolworth stores). 25c. Medium tensile strength, cheap construction. Shrank very little, but very skimpily cut to begin with.

Men's Undershirts

Standard length for a size 40 is 33 inches.

Best Buys

CD Cat. No. D-2232 (Cooperative Distributors, NYC). 30c or 3 for 84c plus postage. Size 40 was 32½ inches long after laundering. Good bursting strength, but fairly heavy.

Penney's Perfect-Fitting. 39c. Size 40 was 32 inches long after laundering. Lustrous, two-ply mercerized yarns. Good bursting strength. Medium weight.

Also Acceptable

(In approximate order of merit)

Beau Brummel (S. H. Kress stores). 25c. Size 40 was 33 inches long after laundering. Good bursting strength, but very heavy.

Wiltshire (H. L. Green stores). 25c. Size 38 was 31½ inches long after laundering. Fair bursting strength. Medium weight.

Macy's (R. H. Macy & Co., NYC). 33c. "Large" size was 33 inches long after laundering. Good bursting strength. Medium weight.

Manhattan. 3 for \$1. Size 40 was 31 inches long after laundering. Fair bursting strength, and very heavy.

B.V.D. 3 for \$1. Size 40 was 33 inches long after laundering. Fair bursting strength. Medium weight.

B. V. D. Velvet Down. 55c. Size 40 was 29 inches long after laundering. Very high bursting strength, but material heavy. Too short.

Varsity. 55c. Size 40 was 30½ inches long after laundering; dimensions generally small. Good bursting strength. Medium weight.

Mansco. 55c. Very long—size 40 was 35½ inches long after laundering. Fair bursting strength, and rather heavy.

Reis "Jimshirt." 55c. Size 40 was 29½ inches long after laundering; dimensions generally small. Good bursting strength. Medium weight. Too short.

Reis "Jimshirt." 69c. Size 40 was 30 inches long after laundering. Lustrous, two-ply, mercerized yarns. Good bursting strength. Medium weight. Quality at least as high as shirts in the "Best Buys," but expensive.

Arrow Stride. 50c. Size 42 was 32½ inches long after laundering. Fair bursting strength. Medium weight.

Shirt-eez (Superior Underwear Co.). 55c. Size 40 was 33 inches long after laundering. Low bursting strength and rather heavy.

Not Acceptable

Le Savoy (F. W. Woolworth stores). 25c. Badly skimmed in both length and width. Lightweight material with the lowest bursting strength of all.

Work in Progress: Buying Guide, Index, Reports

THE biggest single project that Consumers Union undertakes is the preparation of the *Annual Buying Guide*. Last year's edition ran to 240 pages, covered more than 1000 different products, and required more than three months of work on the part of the entire CU staff.

The 1938 *Buying Guide*, work on which has been under way for nearly two months, will represent a considerable enlargement on the 1937 edition. It appears now that there will be about a third more material, with a proportionate increase in the products and types of products covered.

Many mechanical details remain to be worked out, one of which may

mean a slight increase in the overall size. But the increase, if any, will not be such as to destroy the *Guide's* "pocketability," so favorably commented on last year.

Because of the numerous incalculables involved, the publication date of the 1938 *Buying Guide* cannot be given exactly. It will, however, appear sometime in March and probably before the middle of the month.

As before, the *Guide* will be well indexed to simplify its use during shopping. A complete index to the contents of all issues of the *Reports* from the beginning (May, 1936) is meanwhile being prepared and will appear as a part of the February issue.

BECAUSE of the high proportion of the technicians' time taken up by the *Buying Guide*, technical reports in the February issue will be confined to the annual ratings of the new automobiles plus instalments in the three series now running in the *Reports*: Building Materials, Vitamins, and Insurance.

Technical reports scheduled for early publication include the following:

ELECTRIC REFRIGERATORS
ELECTRIC STOVES
CIGARETTES
COFFEE
COCOA
RAZOR BLADES

CONSUMERS UNION Reports

The FTC's new rules for

Rayon Labeling

should help consumers if consumers help the rules



Rules for Rayon

The Federal Trade Commission's rules regarding rayon may be summarized as follows:

1. The generic term rayon covers all synthetic fibers made from a cellulose base, regardless of the special manufacturing process. If rayon is present in any fabric, it must be so labeled.

2. The name of the manufacturing process may be used to describe the fabric only if the word rayon is included in the designation (i.e., viscose rayon, cuprammonium rayon, or acetate rayon).

3. Trademarks of the manufacturer may be used as identification if the word rayon is used with them (i.e., Bemberg rayon, Celanese rayon).

4. Names of other fibers—silk, wool, cotton, linen, and flax—must not be used in any name, phrase, or description of an all-rayon fabric. The same prohibition covers the term "pure dye," which is considered applicable to silk only.

5. The weave or texture of a rayon fabric may be designated if the word rayon is used (i.e., rayon taffeta, rayon chiffon, etc.).

6. Mixed fabrics must show fiber content in order of predominance of fiber by weight (i.e., 60% rayon and 40% silk must be labeled rayon and silk). If there is not more than 5% of another fiber present it need not be mentioned; but if it is mentioned, the percentage must be given (i.e., 96% rayon and 4% silk may be labeled either "rayon" or "96% rayon and 4% silk"; it may not be labeled rayon and silk). If weighted silk is part of the mixture it must be designated as weighted silk.

Chief objection to the rules is that they permit a fabric containing down to 5% of silk to be labeled simply "rayon and silk." Either the minimum percentage of silk should be much higher, or a statement of the exact percentage should be required. Consumers should bear in mind that this flaw in the rules exists, for manufacturers may naturally be expected to take advantage of it.

IT IS unfair and illegal to sell, distribute, advertise, describe, brand, label, or otherwise represent rayon (1) as not being rayon, (2) as being something other than rayon, or (3) without clear disclosure of the fact that it is rayon. Thus the Federal Trade Commission in its recently formulated rules designed to clear up the 20-year-old confusion that rayon has caused the consumer of textiles.

In rayon's early days, cotton, linen, silk, and wool could all be distinguished easily from the shiny new synthetic fiber. But rayon today is the chameleon of the textile trade. For several years past consumers have asked for clarification and identification; and the response from the trade has been only a confusing jumble of such terms as "artificial silk," "silk linen," "silk and rayon" (with a bare 5% of silk), etc.

The FTC's rules should go far to clarify the situation—if they can be made to stick. Be assured they have met plenty of opposition. Those who do not like them mutter that it's all a plot of the Japanese silk industry to build up American silk trade, and save it from the inroads of rayon. They say that "consumer demand" for fiber identification is all a myth anyway—that only a few professional consumer cranks ever want to know when silk is really silk and how much wool there is in an unlabeled wool suit.

It may be, as it has been charged, that the International Silk Guild is an instrument of Japanese propaganda and as such has propagandized for rayon identification. The fact is worth knowing, if it is a fact. But it does not lessen or change the desirability of identifying rayon.

And there is evidence that the good work of numerous consumer organizations in educating their members to the value of fiber identification can be



Love Story

*There was a young lady from Malta
Whose romance was beginning to
falta;*

*The powder she chose
Put a shine on her nose
And three times she'd been left at the
alta.*

*Then the lady joined up in CU
And began to find out what to do;
The shine disappeared,
Her fiancé cheered,
And soon they were wed (why not
you?)*

PERSONAL MEMBERSHIP BLANK

*(The blank on the reverse of this
may be used for a gift member-
ship, if you are now a member.)*

To: Consumers Union of U. S., Inc.
55 Vandam Street, New York, N. Y.

I hereby apply for membership in Consumers Union. I enclose:

☐ \$3 for 1 year's membership, \$2.50 of which is for a year's subscription to the complete edition of Consumers Union Reports and the Annual Buying Guide.

☐ \$5 for 1 year's membership and subscription plus a contribution toward a permanent consumers laboratory.

I agree to keep confidential all material which is so designated.

Name.....

Address.....

City and State.....

credited with much of the influence that led to the formation of the FTC's rules. The NYC Federation of Women's Clubs, whose members have requested salesclerks to put the fiber content of all merchandise on sales slips which they have then sent to the FTC, are to be particularly commended.

A FURTHER important indication of consumer pressure is the encouragement retailers have given the identification movement. Apparently enough consumers have embarrassed enough salesclerks so that the retailer is now ready to give the customer at least enough information to cut the number of complaints. The retailers, through the National Retail Dry Goods Association, have supported the FTC rules and many of them have already put them into effect in their stores.

The retailers contend, understandably enough, that they cannot be expected to bear the brunt of FTC prosecutions for mislabeling if they

are incorrectly informed from their sources of supply as to the fiber content of their purchases. Since the fabric manufacturers haven't been giving them this information, the retailers have protested to the FTC for an interpretative ruling which will make the manufacturers responsible for accurate labeling.

According to the FTC, however, further ruling is unnecessary because everyone from the rayon manufacturer to the shopkeeper will be held responsible in turn. Various manufacturing groups are reportedly working out standard label forms now for giving stores necessary information.

The rayon manufacturers themselves consider the rules discriminatory, in that they require the labeling of only one fiber. That may be; but the answer is to press for the identification of all commonly used fibers.

The fact is that the rayon manufacturers have no outstanding reason to balk at the rules, save for a fear they seem to have that rayon under its own name does not smell quite so sweet. Even so, Celanese has been referring to its product as *Celanese rayon* ever since the FTC's rules were defined, and American Bemberg Corp. ran advertisements last month explaining that henceforth Bemberg will be *Bemberg rayon*.

ACTUALLY, as the FTC points out, the new rules are simply the codification of existing laws. Theoretically, business now has no alternative but to comply with the rules or get haled into court.

But the crux of the matter is that the FTC does not have the staff or the

funds to enforce these rules adequately, and will not enforce them unless consumers show a vital interest in their being enforced. For all that the retailers and the manufacturers of both the raw and finished product have begun to come into line, however grudgingly, it remains for the consumer to keep them there and to keep the line drawn tight.

Look for rayon labels in your stores; comment on them where you find them—let the store know that buying textiles has been made much easier for you. Tell the stores that labels are a satisfactory way of dealing with fiber identification. And if you see no rayon labels in necktie, drapery, dress, and piecegoods departments, find out why the store is not complying with the rules, and be sure to ask the salesclerk for the information you wish.

Only after rayon identification has been well established as the sensible, satisfactory solution to the problem, can anyone afford to take it for granted.

Remember, of course, that this first step leaves many problems untouched. Cotton substitutes for wool constitute a malpractice of long standing, and no amount of fiber identification can make a poor silk fabric give good service. But those who advance the latter point as proof that all fiber identification is useless—and there are some who do—are only confounding confusion. If consumers can be assured that the high price they pay for a suit of wool clothing goes for wool and not for rayon or some other cheaper material (irrespective of its merits) they will have made an important gain in the fight to get their money's worth.

GIFT MEMBERSHIP BLANK

(The blank on the reverse of this is for your own use, if you are not yourself a member.)

To: Consumers Union of U. S., Inc. 55 Vandam Street, New York, N. Y.
I wish to make a gift of a membership in Consumers Union. I enclose:
☐ \$3 for 1 year's membership, \$2.50 of which is for a year's subscription to the complete edition of Consumers Union Reports and the Annual Buying Guide.

The membership is to be entered for:

Name.....
Address.....
City and State.....
My name is.....
My address.....

How To Lower Prices

(From the New York Times,
December 15, 1937)

"Because of complaints about the price and quality of police uniforms the Patrolmen's Benevolent Association voted yesterday to ask the State Legislature for permission to establish a cooperative for the manufacture of police uniforms. . . .

"The uniforms are now made by several independent concerns, and according to policemen there have been many complaints. . . ."

(From the New York World-Telegram,
January 6, 1938)

"The Police Department's plans for a co-operative factory to produce uniforms for its members today forced the Uniform Manufacturers' Exchange into presenting a lower price scale to forestall such competition. The new prices are based on lower fabric values. . . .

"The new Exchange prices were submitted to Commissioner Valentine yesterday. The new prices include reductions of \$4 and \$5 on overcoats."

CU'S MEMBERS report-

Mantle & Mantel

TO CU: I am very much interested in the mantle (sic) radios as described in your December issue. I am wondering if you are referring to the zoological meaning as in brachipods, where a mantle contains the shell secreting glands, or to the mechanical meaning as that of the outer wall or casing of a blast furnace. I find it rather hard to reconcile any of these meanings to my preconceived ideas of a radio.

You ought to be ashamed of yourself!

References: Webster's International, page 1314.

CU Reports for December, 1937, pages 27 ff.

New York, N. Y.

DR. B. W.

To err is human; to forgive, divine. (We may not have this quite right, doctor, but you see what we're getting at.)

Liquor Reports—Final

TO CU: In the *Buying Guide* for 1937 you give ten pages to alcoholic beverages.

This is more than you give to any other subject except "diet."

Alcoholic beverages, listed as "best buys," make them just as drunk as when there is not such high class endorsement. . . .

There cannot be any "best buys" of alcoholic beverages.

Such listings in your *Buying Guide* cause a lack of confidence in your organization. The fact that you omit these listings from your monthly *Reports* is not enough. . . . Do not identify yourselves with the liquor crowd.

Penney Farms, Fla. LE ROY C. COOLEY

• • •

TO CU: I am glad you have taken alcoholic beverages out of the regular reports. The fight against the liquor evil has just begun and I am glad you are not reporting to all members certain whiskies, etc., as "acceptable."

I am curious to know just how your work will develop. You have already done the work most obviously necessary. You must now settle down for a long campaign against greed. Can you hold out . . . ?

Berkeley, Calif. MARVIN D. PARKHURST

The battle over CU's liquor reports has raged for a long time. Many members have taken their stands on the question. And now, if it's agreeable to all concerned, we will let the question rest. The action of CU's directors was probably something short of Sol-

omonic; but it was in accordance with the expressed recommendation of many members. Besides, we don't think any of the problems Solomon solved was so knotty as the problem of the liquor reports.

P. S. for Mr. Parkhurst: we can hold out.

Price-Fixed Brands

TO CU: Re your October article on price-fixing. Would it not be a good idea to list the leading brands of goods that are price-fixed so that your members would know what to avoid in making purchases?

Buffalo, N. Y.

MAURICE B. ROVNER

CU's editorial staff is getting together a list of many price-fixed products for publication in an early issue.

Complaint Dep't.

TO CU: Far from giving anyone else a subscription to *Consumers Union Reports*, I will not renew my own subscription. CU sounds unpleasantly like CIO, and CIO has done more to ruin this country and bring on depression than any other combination of factors.

Scranton, Pa.

C.P.K.

• • •

TO CU: I have frequently heard that it is possible to obtain a satisfactory report in your monthly only by payment of a substantial sum to your officials. I never believed it before, but inasmuch as, in the December issue, you list small radios but ignore completely the Emerson, made by the world's largest manufacturers of small radios, I am now inclined to believe your reports to be biased and valueless.

Worcester, Mass.

W.W.G.

To W.W.G.: You have good right to object to the omission of *Emerson*. It will be rated in the *Buying Guide*. But its sales are such that it should have been covered in the main report. We can only plead difficulty in getting test dates arranged with our consultants; and cite the extenuating fact that last month's report took in 35 models, whereas the report of a year ago listed only 22.

As for our officials and the substantial sums they're supposed to receive, we've heard that at least a thousand times. Some day, we hope, someone responsible for this whispering cam-

paign against CU will make the charge directly and in writing.

Of Ships and CU

TO CU: Thank you for the copy of the December *Consumers Union Reports*. The wear and tear on it has been terrific among the boys in the Camden Local of our organization, who have come into *The Shipyard Worker's* office. They are especially enthused over the Labor Notes appended to the laboratory reports.

By this time, you should have received a copy of the last issue of *The Shipyard Worker*. We have been very glad to place you on our mailing list, and hope that you will enjoy reading our paper. I don't suppose that subscribers to CU are particularly interested in which ships are union-made. Believe it or not, there have been a few, and more will come in the future. And these union-made ships have been "Best Buys!"

So long as CU continues along the progressive lines on which it is now operating, it is assured of the support and best wishes of organized labor. I would like to place the *Reports* in the hands of every member of our organization.

SAMUEL J. KRAMER

Editor, *The Shipyard Worker*

Industrial Union of Marine and Shipbuilding Workers of America, Camden, N. J.

We don't think that many CU members will be in the market for union-made ships, but plenty of them will be glad to know that there are some being made.

Now: 50,000

TO CU: I am enclosing herewith a small contribution toward the laboratory fund. I regret that I cannot make it more at this time. . . .

We are both most enthusiastic members and supporters of your organization, and do a lot of "missionary" work on its behalf. We feel that our membership pays for itself ten times over each year in the savings we effect thru following the recommendations both in the monthly *Reports*, and the annual *Buying Guide*, and I am willing to be quoted on this point.

We notice with pleasure that the membership has increased to 45,000. Is it too much to hope that it will be a half million ere very long? We should like to see this organization become the backbone and guiding star of a powerful nationwide consumers' movement.

Oak Park, Ill. S. M. WOLFFSON, M.D.

Thanks to Dr. Wolffson for his contribution for *Consumers Union's* laboratory and for his work in CU's behalf. He will be pleased to know that CU's membership has now passed 50,000 and continues strong. As for a

half million—not yet, but some day . . .

Space Filler?

TO CU: I am enclosing a clipping that should help prove your articles on mineral-oil nose drops. I wonder how many people who read the New York Times saw this article, since it was in the most inconspicuous part of the paper. It seems to me that the only reason the Times had this in was to fill up space.

A CONSUMER

Bronx, N. Y.

The clipping covers a warning made by two University of Pennsylvania physicians against the dangers of pneumonia caused by oily substances getting into the lungs. The Times' meager treatment of the news won't alarm the min-

eral-oil nose drop advertisers unduly.

Worst Ads

TO CU: I would like to suggest that you offer a prize for the worst ad of the month. The enclosure [see col. 1] is submitted in the belief that many years will pass before one half as bad will make its appearance.

ROBERT W. ROGERS

Plainfield, N. J.

• • •

TO CU: Enclosed is a clipping [see col. 3] which is so atrocious that I can't resist sending it to you. It has everything—untruth, the "we" appeal and sex appeal.

Congratulations on your "Labor in the Rubber Factories" [Aug.-Sept. Reports]. Keep up the good work.

ROBERT A. BOYD

Tracy, Calif.

The reproductions to the right and left are enough to show why Member Rogers' suggestion fills us with dread. One ad is about as bad as the other, and distinguishing the finer points of awfulness is a job that we cannot view with much pleasure. Still, if enough members would like to join in on a "Worst Ad of the Month" contest, we'll go to work on the matter and try to figure out some rules and awards. Advice gratefully received.

Curiosity

TO CU: I received my December issue this evening, was pleased to see the new Christmas "dress."

I am a junior in high school and I am sixteen years old. Prior to the time that I subscribed to your work, I had heard talk of "inside information" and the like, concerning what to buy and what not to buy. A little later I saw your advertisement in the Scientific American, and I subscribed out of pure curiosity, I admit it.

Today, I read your editorial and you spoke of me when you wrote, "a certain percentage of them undoubtedly react—with simple curiosity—"

Well, I was curious because I am interested in science, which teaches experimentation. Naturally, I don't do any buying to speak of, and it is difficult to change the habits of parents when it comes to buying, but I want to defend myself by saying that the insight which you have given me into the practices of those who sell to the public is a valuable reward for my curiosity, and some day I am going to do my own buying and I hope what I have learned from you will help me to get my money's worth. I hope I have conveyed what I mean in my explanation.

I would like also to offer a suggestion on a minor point: Would it be possible

to send the Reports flat, so that they may be filed without bends and creases?

WILLIAM S.

Gardena, Calif.

You don't need to defend yourself, William S. And please forgive us for what we said about "simple curiosity." We thought we had a point, but it certainly doesn't apply to you. We hope we convey what we mean as well as you convey what you mean.

Your mailing suggestion is a good and legitimate one, except for the expense. Flat mailing would require envelopes, which would cost a good deal more than the wrappers we use; and the greater expense would mean less money for technical work.

She caught cold on her honeymoon



WOMAN: Wouldn't you know? I'm catching cold! Guess I'll never say, "California, here I am."

MAN: What you need—quite—is a laxative and something to help counteract acidity. If only . . .



WOMAN: Puh-lease, no! I've already got 'em, but Sal Hepatica does BOTH does things. It's a mild salt laxative and it helps Nature counteract acidity, too. Last trip, a death tale to me.



WOMAN: Well, honey, here's California. Got everything?

MAN: Everything except that cold. Let's tip that party double for telling us about Sal Hepatica. Lucky for me he had Sal Hepatica on hand!

A COLD COMING? DO 2 THINGS:

1. Cleanse the intestinal tract.
2. Help Nature counteract acidity.



Sal Hepatica does BOTH!

WORST AD OF THE MONTH!

Member Roger's suggestion . . .

ARE YOU ASHAMED OF YOUR SKINNY FIGURE? THEN READ THIS—



JUST THINK, HELEN! ONLY A FEW WEEKS MORE AND WE'LL BE OFF ON OUR HONEYMOON CRUISE! SWEET! YOU THIRLED THAT DICK'S ABGROWING RING TOGETHER!

ON AUNT! DO SOMETHING! GOING—DICKS NEVER SEEN ME IN A BATHING SUIT AND HE'S SO THIN!

WELL, DON'T YOU WORRY, HELEN! JUST START TAKING IRONIZED YEAST RIGHT NOW! I DON'T AME UP IN NO TIME!

A FEW WEEKS LATER:

HELEN! HAVE BEEN HEARDING OUT ON ME! I NEVER KNEW YOU AND JACK A LADDER CLIMBING!

THANKS TO IRONIZED YEAST!

THOUSANDS GAIN 10 TO 25 LBS. QUICK WITH NEW IRONIZED YEAST TABLETS

WHY he advanced to be seen on account of a slim, sexy figure? Don't you know that thousands of girls have put on 10 to 20 pounds of good solid flesh in a few weeks—with these amazing little Ironized Yeast tablets?

No matter how thin and random you may be, you too may easily gain normal, attractive curves this quick way—also naturally clear skin, sure pep, and all the new friends, popularity and good times these bring.

Why they build up so quick.

Scientists recently discovered that thousands of people are thin and random only because they don't get enough yeast (Vitamin B) and iron in their daily food.

Now by a new and costly process, the "diamond" from the special rich yeast used in making English ale, world renowned for its medicinal properties, are concentrated to 7 times their strength in ordinary yeast. This 7-power vitamin concentrate is combined with 3 kinds of blood-building iron (ferrous, boric and hemoglobin iron). Patented English ale yeast and other valuable tonic ingredients are then added. Finally, for your protection and benefit, every batch of Ironized Yeast is tested and retasted biologically, to insure its full vitamin strength.

The result is these amazingly effective easy-to-take little Ironized Yeast tablets which have helped thousands of the skinniest, worried people quickly to gain the normally attractive curves, natural development and peppy health they longed for.

Remember, too, that although this new, scientific formula has been developed and perfected at the cost of many thousands of dollars, the pleasant little tablets cost you only a few cents a day!

Make this money-back test!

Get Ironized Yeast tablets from your druggist today. If with the very first package you don't begin to eat better and get more enjoyment and benefit from your food—if you don't feel better, with more strength, pep and energy—if you are not convinced that Ironized Yeast will give you the naturally attractive pounds you need—your money will be promptly refunded. So begin your test today.

Only be sure you get the original Ironized Yeast. There are many cheap "Iron and Yeast" tablets on the market on which the druggist may make money—but you lose. Insist on genuine Ironized Yeast, with "IY" stamped on each tablet.

Special FREE offer!

To start thousands building up their health right away, we make this absolutely FREE offer. Purchase a package of Ironized Yeast tablets at once, cut out the seal on the box and mail it to us with a clipping of this paragraph. We will send you a fascinating new book on health, "New Facts About Your Body." Moreover, receive with the very first package—your money refunded. At all drug stores, Ironized Yeast Co., Inc., Dept. 222, Atlanta, Ga.

WARNING! Beware of the many cheap substitutes for this scientifically perfected formula. The name you get genuine Ironized Yeast.

WORST AD OF THE MONTH!

. . . fills us with dread

CONSUMERS UNION Reports

Beginning a summary of

What's Known About Vitamins

Prepared for CU by a physician of long experience in vitamin investigation



SINCE earliest times man has sought for something in nature that will confer immortal youth or cure all disease. The search has had different results in different times. At one time the great panacea was a mixture of materials better left undescribed here. Later it was in the nature of a "potable gold." At present vitamins are being proclaimed as the great "elixir of life."

Medical investigation has revealed the important role of vitamins in growth, development, and the maintenance of good health. But vitamin advertising has appropriated this knowledge and is now attributing properties to vitamins that they have never been shown to possess. In three articles, of which this is the first, CU intends to give a summary of what is actually known about vitamins.

Although the isolation of the food substances known as vitamins is of only recent origin, the quest for some mysterious nutrient found in natural foods dates back many centuries. The philosophers and physicians who pursued these elusive substances appreciated their existence but lacked the tools, or the knowledge of chemical procedures, by which they might have been isolated.

As far back as 370 B.C., Hippocrates, the father of medicine, alluded to a specific nutritive principle which he assumed was present in various natural foods; and his disciples went so far as to assign the cause of certain diseases to the lack of these natural foods. More than a hundred years before the term vitamin became known, an English naval surgeon, Captain Lind, was convinced that scurvy (a disease which ravaged the armies, navies, and peasantry of Europe) was due to a lack of fresh fruits and vegetables in the diet. Captain Cook, impressed by Lind's observation, gave liberal rations of sweetwort and sauerkraut to his men

The short series of articles beginning here is presented in an effort on the part of CU and its consultants to clear up the misinformation surrounding the subject of vitamins.

The greater part of the present article concerns vitamin D, by far the most widely exploited. In the next two articles further details regarding vitamin D will be presented, along with information on the other vitamins and the preparations containing them.

and was able to sail the seas for three years without a single occurrence of scurvy.

The anti-scurvy, or as it is medically termed, anti-scorbutic, factor, present in fruits and vegetables, proved to be what we now know as vitamin C.

Vitamin B, the anti-beriberi factor, was also known for some time before the actual isolation of the vitamin itself. Credit for the discovery of the cause and cure of beriberi, a disease affecting the nerves of the extremities, belongs to Dr. Eijkman, a Dutch investigator. First in 1889 and finally in 1898 he established the fact that chickens fed polished rice as their sole food developed symptoms of beriberi and that they could be cured by including the polishings of the rice in their rations.

The anti-beriberi factor present in rice polishings and other substances is now known as vitamin B₁.

WHILE the discovery of the vitamins in general is of unusual human interest, the story of the isolation of vitamin D reads like a chapter from Leonardo da Vinci. For centuries the majority of children born in north European countries had been afflicted by a disease known as rickets, affecting the bones chiefly. In rickety children

there is a failure of calcium salts to deposit in the growing ends and shafts of the long bones, and in the flat bones of the head. Consequently the entire skeletal framework of the body remains soft and the bones yield to any pressure which may be exerted upon them by standing, sitting, walking, lying down, or even by breathing. Children with rickets show deformities of the head, chest, and extremities.

For more than a century physicians had wondered why rickets was prevalent in such countries as England, France, Germany, and Austria, and rare in tropical countries; why Negroes living in the United States were most susceptible to the malady, while those living in Africa were free from it.

When in 1884 it was pointed out that the disease had a seasonal occurrence (was prevalent in winter and nearly absent in summer) medical science was within an ace of solving the riddle of rickets. But it took thirty-five more years before the riddle was actually solved.

It was not until 1919 that Dr. Huldchinsky, a German-Jewish physician, demonstrated the curative effects of the ultra-violet spectrum of the sun on rachitic babies.

The explanation for many phenomena was now apparent. Rickets was rare in the tropics because of the plentiful sunshine. It was the lack of adequate sunshine that made the disease so prevalent in northern countries, that affected so many Negroes in northern United States while their brothers in the south weren't bothered by the disease.

But why was the disease unknown among the Eskimos and the inhabitants of Iceland and the Faeroes where the winters were long and the season of sunshine very brief? Again the answer was disclosed in 1919 when the English investigator, Mellanby, produced

rickets in puppies and then cured them with cod-liver oil. The reason for the rarity of rickets among the Eskimos and the Lapps was now clear—their diet included fish oils.

Mellanby, however, attributed the beneficial effects of cod-liver oil to its vitamin A content; it was not until 1922 that McCollum, the American investigator, demonstrated that the anti-rachitic vitamin in cod-liver oil was distinct from vitamin A.

Several years previously it had been shown that absence of vitamin A in the diet produced an eye disease known as xerophthalmia. McCollum and his co-workers took advantage of the fact, already established by Sir Gowland Hopkins in England, that vitamin A is readily destroyed by oxygen. They heated cod-liver oil, bubbled oxygen through it, and found that although the oil was now ineffectual in curing xerophthalmia, it retained the property of curing rickets.

The substance in cod-liver oil having this property was named the anti-rachitic factor, or vitamin D.

Meantime, Dr. Huldchinsky's experiments, although corroborated by many physicians, had not explained just how the ultra-violet light acted in curing rickets. The explanation came from the independent work of American investigators. Hess, a physician, and Steenbock, a biochemist, announced that rickets could be prevented just as well by exposing the baby's food to ultra-violet light as by exposing the baby itself.

It was then shown that the food acquired anti-rachitic property because the ultra-violet light produced a chemical change in the food whereby vitamin D was actually manufactured. It was clear then that vitamin D could be manufactured, in the one case in the food exposed to light, and in the other in the body of the animal directly exposed to the light.

BUT there was another problem that had to be solved: what was the relation between the photochemical energy of ultra-violet light and the vitamin D present in cod-liver oil? Investigation soon disclosed that the substance in food most easily activated by ultra-violet light belonged to a certain class of fats, or lipoids. That part of cod-liver oil which is anti-rachitic also belonged to the same class of fats

—fats found in abundance in butter, eggs, brain tissue, and skin, as well as in fish oils, plants, and yeast. One of the lipoids most susceptible to the action of ultra-violet light is known as ergosterol. Ergosterol is isolated from plant material or yeast and when it is exposed to ultra-violet light, vitamin D is produced in it. Ergosterol thus irradiated by ultra-violet light is known as viosterol.

The relationship between the anti-rachitic properties of cod-liver oil and ultra-violet light was now clear. Ultra-violet light prevented and cured rickets in children because it activated the lipoids in the skin and thus manufactured vitamin D. Cod-liver oil prevented and cured rickets because it was rich in vitamin D itself. Viosterol prevented and cured rickets because it was rich in vitamin D manufactured through the activation of ergosterol by ultra-violet light.

The distribution of vitamin D in natural food substances is rather limited. It is practically absent from fruits and vegetables and is contained in but limited amounts in most vegetable oils.

The paucity of the vitamin in vegetables and in vegetable oils is rather surprising, since most vegetables are grown in abundant sunshine and they and their oil can be made highly anti-rachitic by irradiation with ultra-violet light from a mercury quartz or carbon arc lamp.

This paradox is usually explained on the basis that the amount of ultra-violet light reaching the earth is rather small and that, in the fresh state, the lipoids of vegetables are poor "receptors" of light energy, especially of the ultra-violet spectrum.

The amount of vitamin D in mothers' or cows' milk is variable and depends to a large extent on the amount of vitamin D in the food eaten by the mother or the cow. The production of vitamin D milk currently reflects this knowledge. Commercially, one form of vitamin D milk is produced by feeding to the cow large amounts of viosterol or irradiated yeast. But the method has not proven entirely feasible, since the yield of vitamin D in the milk is small, only a fraction of the actual amounts fed. The vitamin D content of cows' milk is greater in the summer when the animal is exposed to the sunshine.

The vitamin D content of egg yolk is also variable and depends, as with

milk, on the diet and the amount of sunlight the chicken receives. Egg yolk cannot be considered a reliable source of vitamin D for children in winter months unless it is known that the hens are receiving adequate amounts of the vitamin.

THE most abundant natural source of vitamin D is the oil of many species of fish. And the oil used most extensively for its anti-rachitic properties is obtained from the livers of the cod. More recently, potent oils have also been produced from the livers and bodies of certain other species of fish—halibut, puffer fish, goosefish, shark, haddock, herring, sardine, salmon, burbot, and a class of fish known as the Percomorphi.

The oil from some of these fish is inferior in vitamin D potency to cod-liver oil, while the oil of others is more than a hundred times as potent. All these oils contain vitamin A in addition to vitamin D.

The cod-liver oil sold in the United States is either imported from Norway or obtained from the livers of cods caught along the coast of Newfoundland and Nova Scotia. Both the processing of the livers and the preparation of the oils differ in the two localities.

In Norway the fish livers are sold to renderers by independent fishermen, who, because of economic reasons, may not always be anxious to exclude other fish livers from their "catch." In the past, and in some instances even now, this has led to the distribution of cod-liver oils of unknown and usually inferior anti-rachitic potencies.

About three years ago, the Revision Committee of the United States Pharmacopoeia set a minimum standard for the vitamin content of cod-liver oil and requested manufacturers and distributors to label their products accordingly. Unfortunately, however, very few have complied; at present there is a mad race to see who can claim the highest number of units of vitamins A and D per gram. And sometimes the potency is made high by the addition of cod-liver oil concentrates or of other fish oils of high anti-rachitic potency, without a statement of this fact on the label. In other instances, the claims of high potency are actually misleading.

Such tactics are puzzling to the physician, to the honest druggist, and especially to the consumer who knows

little or nothing of the integrity and honesty of the "man behind the label." But the tactics are employed. And because of them it is generally unwise to buy Norwegian cod-liver oil.

Few distributors, moreover, are equipped to carry out vitamin assays, so that, in the case of Norwegian oil, the number of "rat units" of either vitamin as stated on the label may represent the exporter's assay in Norway and not necessarily the assay of the oil at the time it is sold to the consumer.

Newfoundland oil is, as mentioned, made from the livers of cods caught along the northern New England shore. Unlike the manufacture of Norwegian oil, both the fishing and the rendering of Newfoundland oil is under the control of the manufacturers who market their own product. Extraction of the oil is done at nearby plants when the livers are still fresh and before the tissues begin to spoil. Newfoundland oil is, therefore, more palatable than Norwegian oil, which often contains small amounts of the products of tissue breakdown. Also, there is reason to believe that only livers of the cod are used and that potency is apt to be less variable.

MOST reputable distributors refrain from diluting cod-liver oil with inert oils, so that their claims for potency are usually reliable. But some firms which market low-priced oils for

sale under a druggist's or department store's own label are not so meticulous. The chain drug and department stores who traffic in such oils may omit to state on the label the number of vitamin units per gram of oil or may express potency in terms of fictitious units. For this reason, although some private brands may be entirely satisfactory, it is best to be on the safe side by avoiding cod-liver oils sold under the druggist's or the department store's own label.

The requirement of the U. S. Pharmacopoeia for average cod-liver oil is that it contain *not less* than 85 International Units of vitamin D and 600

units of vitamin A per gram. Most cod-liver oils contain two or three times that amount of vitamin D.

Because it becomes rancid and loses some potency when exposed to air, cod-liver oil should be bought in the original unbroken package and in small quantities, preferably in dark-colored bottles of four, eight, or sixteen ounces. The neck of the bottle should be wiped off and the bottle tightly corked after each use. It should be kept in a dark, cool place, preferably a refrigerator.

(This is the first of three articles on vitamins and vitamin preparations.)

Consumers, Workers, and Dollars

ON THE general theme of "Consumers, Workers and Their Dollars," the Rand School of Social Science is sponsoring a series of seven lecture-discussion periods. The series begins January 20th, will include one meeting a week (at the Rand School, 7 East 15th Street, New York City). A staff member of the Rand School will supervise the series and deliver the opening lecture at each meeting. Discussion following each lecture will be led by a member of the CU technical staff. Meetings will begin promptly at 7

P. M. Fees are \$2.50 for the series, 50 cents for each lecture.

Dates and subjects are listed below.
Jan. 20. Sources of Information about Goods.

Jan. 27. Relation of Quality and Quantity to Price.

Feb. 3. Textiles.

Feb. 10. Foods.

Feb. 17. Drugs and Cosmetics.

Feb. 25. Mechanical and Electrical Appliances.

Mar. 4. What Can We Do? A Program for Consumers.

"Filled with specific charges . . . remarkably readable"

—Book of the Month Club Recommendation

"Competent . . . sincere . . . extremely valuable"—N.Y. Times

"Startling piece of financial sleuthing . . . of inestimable value to the investing public"
—Cincinnati Enquirer

"Blistering"—Christian Science Monitor **"Startling"**—New Republic



THE need of a book to show the plain investor what he is up against has long been felt. *False Security* fills the need admirably. In it, Bernard J. Reis, Treasurer of Consumers Union, and a public accountant of long experience, "shows the American investor bucking the slick shell game of American finance." His 362-page volume—written in clear, simple language—shows just how your savings can be taken away from you legally.

CONSUMERS UNION OF U. S., INC.
55 Vandam St., New York, N. Y.

I inclose \$1.40 for a copy of *False Security* at the special members' price.

Name.....
(Please Print)

Street and No.....

City and State.....

THIS BOOK NAMES NAMES AND CITES ACTUAL CASES

CU members who have occasion to go shopping for investments will find *False Security* an invaluable guide. By arrangement with the publishers, Equinox Cooperative Press, the regular \$2.75 edition of *False Security* is offered to CU members for \$1.40, postpaid. The author has waived royalties on these copies.

Automobile Storage Batteries



CONSULTANT'S PHOTO

These batteries are undergoing CU's "life" test and some of them are not doing very well.

If you're going to abuse your battery you will find it less expensive to buy a cheap one



THIRTEEN automobile storage batteries are rated in the accompanying table, which offers a breakdown of their performances in CU's tests. The *Willard* and the *Goodrich Kathanode* showed up most impressively. Both are high-priced. But the motorist who must get his car going readily in the coldest weather will appreciate their ability to maintain high cold-weather starting power even after long service.

For those to whom this is not so important, a cheaper battery, such as the *Co-op*, should be a "Best Buy."

Most of the batteries had cases made of hard rubber, but in the *Atlas*, *Ford*, and both of the *Sears' Cross Country* batteries they were made of composition material.

Experience indicates that in cold weather the composition cases are more likely to crack than are those of rubber. This occurred in the *Sears'*

Lifewear battery when it was cooled for the starting current test at 0°F after the service test.

While it is true that the better quality batteries will probably stand more abuse as well as give more service, motorists who abuse them must bear in mind that they pay for the privilege.

Compare the table figures on "cost per month," computed on the basis of the guaranteed life for each battery. With proper care, the *Willard* and

Goodrich Kathanode should last long enough to make their actual costs per month considerably less than the figures shown. But this may not be the case if they are neglected. If the battery is to be abused, it is less expensive to buy a cheap one.

Theoretically, the cost per month of guaranteed life should indicate the maximum cost of service from the battery. Actually, recharging and servicing may considerably increase the total expenditure. Hence, economy as well as convenience makes it desirable to buy a battery able to meet the heaviest service you will demand of it. Ratings are based on the quality of service of which the batteries were capable in relation to their respective costs per month.

Read the guarantee carefully before purchasing any battery, to make sure just what types of failure are covered. The best guarantees cover practically any kind of battery failure and provide for replacing the battery with a new one at a cost proportional to the number of months of service actually given. The *Sears Roebuck* guarantee also includes free charging—a considerable asset if the purchaser has convenient access to a *Sears'* store with service station.

EXCEPT for special accidents, such as cracking or breaking of the case, most batteries go bad because of "sulfation" (the formation of crystals of lead sulfate on the surface of the negative plates of the battery). This term, however, like the term constipation, is used vaguely to cover a multitude of symptoms. Sulfation may be simply the sign of old age or it may be the result of various types of abuse. A few of the latter are here listed.

1. *Standing idle.* Sulfation from this cause often occurs in new car batteries which have stood for some time before sale. If it has not gone too far, it can be largely overcome by giving the battery a good charging.

2. *Chronic undercharging.* This is one of the commonest causes of buckling of the plates in a battery. See that your generator is working properly and keep it set at the proper rate to maintain your battery at full charge. Have it reset each season—higher in winter and lower in summer—unless your car has voltage regulation, used on many of the recent

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models. And if your battery does get run down, have it recharged promptly.

3. *Continuous overcharging.* An occasional overcharge is actually beneficial to a battery, but continuous overcharging loosens the active material in the plates. Again, keep your generator properly set.

4. *Failure to add water.* This is one

of the commonest abuses of batteries, especially when the car has to be taken half apart to get at the battery for service. Have your battery inspected every two weeks and have water added as needed—the level should be kept about one-half inch above the tops of the battery plates. Incidentally, it is well to note for yourself at each in-

spection the amount the water level has gone down. Excessive evaporation is an indication of too high a charging rate. Evaporation will be greater, however, in warm weather than in cold.

5. *Contamination of electrolyte.* Various impurities, but especially iron, run down the battery when they are

Storage Batteries

Comparative starting ability is given in the last three columns of the table below. The standard test for starting capacity was used—determination of the number of minutes the battery will maintain a current of 300 amperes before voltage drops to one volt per cell. First is shown the average number of minutes for the new batteries at normal temperature; second, average minutes at zero. The last column gives the minutes at zero after the batteries had undergone an extended service test. It is this last column which shows how well the batteries may be expected to maintain their cold-weather starting ability in use.

Those who do considerable night driving or who use a car radio or other current-consuming gadgets should select a battery

that stands high in "ampere-hours capacity." Most of the batteries tested met or exceeded manufacturers' specifications on this score, but three were appreciably below—possibly as a result of having stood for some time before sale.

Tests not indicated in this table (but counted in the ratings) included a "recovery" test, a shaking test, a test of the material used in the battery cases, and observations on the effect of the life test as revealed by sediment present in the electrolyte (the solution of sulfuric acid inside the battery).

All batteries withstood the severe shaking test except the *Ford*, in which the cell tops jarred loose from the sides, letting some of the electrolyte splash out.

BRAND AND MANUFACTURER OR DISTRIBUTOR	PRICE \$	GUARANTEED LIFE (MONTHS)	COST PER MONTH OF GUARANTEED LIFE \$	AMPERE-HOURS CAPACITY		STARTING CURRENT MAIN- TENANCE (IN MINUTES)		
				RATED	TESTED	75°F NEW	0°F NEW	0°F AFTER LIFE TEST
Best Buys								
Willard WMB-110 (Willard Storage Battery Co., Cleve- land)	13.95	21	.66	110	120	9.6	3.8	2.5
Goodrich Kathanode K-FT-51 (B.F. Goodrich Co., Akron, O.)	21.45	(36) ¹	(.60) ¹	110	119	8.1	3.2	2.9
Co-op L-1-F (National Cooper- atives, Chicago)	7.25	21	.35	100	104	9.3	2.4	1.8
Also Acceptable								
Exide XL-171S (Electric Stor- age Battery Co., Phila.) ...	10.45	18	.58	100	107	9.6	3.2	1.7
Atlas XL-17 (Standard Oil Co. of Indiana)	10.45	18	.58	98	110	9.0	3.2	1.8
Sears' Cross Country Power Flo Cat. No. 76 (mail order)	7.90	24	.33	98	97	8.1	3.0	1.6
Goodyear A 217F (Goodyear Tire & Rubber Co., Akron)	10.45	21	.50	120	113	9.7	2.2	1.3
Ford Type 40 (Ford Motor Co., Dearborn, Mich.)	9.45	18	.53	100	102	8.9	2.1	1.9
USL RT 1-17 (USL Battery Corp., Niagara Falls, N. Y.)	14.95	24	.62	110	114	9.5	3.1	1.3
Sears' Cross Country Lifewear (Sears stores)	8.15	24	.34	100	92	8.8	1.7	1.3
Not Acceptable								
Goodrich 17-21FT Special....	10.45	21	.50	90	102	8.5	2.1	1.2
Ward's Winter King 17-TH Cat. No. 216 (mail order) ..	6.45	24	.27	98	106	8.3	1.8	0.6
Wizard 17TV (Western Auto Supply stores)	6.55	24	.27	110	98	7.7	2.3	1.1

¹ Guaranteed for the possession of the car: 36 months—a liberal estimate—is used to give a cost comparison.

present in the electrolyte. The safest rule is to add only distilled water. In many sections, however, the local water supply seems to be sufficiently free from objectionable minerals to be safe. Before letting your service man add tap water, require proof from him that it is safe to use. Avoid, also, letting any foreign materials fall in when the cell caps are removed.

6. *Addition of acid or special battery "rejuvenators."* Only when the electrolyte in the battery has been spilled or has leaked out is it necessary to add acid. As for patent rejuvenators, it is doubtful that any of them are beneficial, and many of them are definitely harmful in the long run.

ADDITIONAL pointers for getting the best service from your battery include keeping the terminals clean and

the connectors tight. Corroded terminals and loose connectors interfere especially with proper starting. To prevent corrosion of the terminals and cables, clean them thoroughly and give them a thin coating of vaseline. Also, keep the top of the battery itself wiped clean.

Particularly in cold weather, your battery will repay any help you give it in starting. Always throw out the clutch before stepping on the starter (a wise precaution, anyway, against the possibility that the car may have been left in gear).

If you have battery trouble despite precautions make sure that the fault does not lie somewhere in the wiring system of the car. Electrical leaks or intermittent short circuits where insulation has begun to give way are frequent causes of battery failure.

had won praise and increased pay for the quality of their work, have been dismissed for such reasons as speaking to a companion on the same job. More often, the suspected union member is merely "taken out" by the service man, without any explanation for the dismissal. One of the service men was identified as Charles Goodman, whose police record as of last July showed 21 arrests and 4 convictions.

The chief complaint of Ford workers is against the speed-up system, under which the employees are driven at such an exhausting pace that they are considered unfit for work when they reach the age of 40.

As we go to press, Ford workers at the St. Louis plant are on strike in an effort to prevent the Ford company from destroying an active union local. The union has complained to the NLRB that the company has employed armed guards for the intimidation of employees, that it has distributed anti-union propaganda, and that it has threatened to fire workers who refused to sign a statement expressing satisfaction with the Ford labor policy.

Goodrich—The Goodrich plant has been well organized by the United Rubber Workers of America. According to the union's vice-president, Thomas F. Burns, the average wage for men on the basis of the full 36-hour week is \$40.50; for women, \$28.08. The minimum work week is 24 hours; time-and-one-third is paid for overtime above 40 hours. Workers employed for 5 years are annually given 2 per cent of the previous year's earnings, or equivalent time off as a vacation. After 10 years' service, the amount is increased to 4 per cent.

Goodyear—Batteries sold under this name are made according to Goodyear specifications by the Prest-O-Lite Battery Co. in Indianapolis. CU has no information on working conditions in that plant.

Sears—These batteries are manufactured by Globe-Union, Inc., which has not answered CU's request for a summary on working conditions. The UERMWA reports signed agreements in the Philadelphia and Milwaukee factories of this company, which operates plants in various states.

Willard—We are informed that these batteries are being made by members of the United Automobile Workers of America, a CIO union.

The Battery Industry

... is fairly well organized—and for two good reasons

UNION organization has made headway in the battery industry for two main reasons. The first is that battery workers frequently contract diseases of the skin or lungs, thus risking total incapacity for employment. The second is that the work is seasonal, often lasting no more than six or eight months. Under these conditions, the need for reasonable wages is acute.

Co-op—The National Battery Co., which manufactures Co-op batteries, says that it maintains a 40-hour week "in most cases" and that wages "are in every case equal to or above the average wage paid in the community." The company is sure that its average wages are higher than the general level in five of the seven communities where it has factories: Los Angeles, Chicago Heights (Ill.), St. Paul, Kansas City, North Bergen (N. J.), Depew (N. Y.), and Dallas. The company also says that its policy is "to conform to the provisions of the Wagner Act in every respect," but it does not consider it advisable "to go into any great detail right at this time" on the question of labor relations.

Exide—As the result of an extended shutdown strike last spring, the United

Electrical, Radio and Machine Workers of America won a contract as sole collective bargaining agent for all Exide production workers in the Electric Storage Battery Co. plants at Philadelphia and Crescentville, Pa. The agreement provides for a \$20 minimum wage in a 5-day, 40-hour week, and time-and-one-half for overtime work. Any employee asked to report for work is guaranteed a minimum of 4 hours' pay. The scale of wages is said by the union to equal the highest pay in the industry. Layoffs are to be made by seniority, and machinery for adjustment of grievances is provided.

Ford—A one-man organization, the Ford Motor Company has reflected in a variety of ways Henry Ford's bitter hostility toward trade-unions. Outside the River Rouge plant, men and women organizers for the United Automobile Workers of America have been kicked and beaten by Ford service men while attempting to distribute leaflets.

Within the plant, it has been shown by testimony before the National Labor Relations Board, the service men constantly hunt for evidence of union membership. Veteran mechanics, who

An analysis of four typical

Life Insurance Policies

**shows that only the renewable-term contract
provides permanent, constant insurance**

(This is the third article in CU's series on life insurance)



CONSUMERS UNION members have learned to ask two questions about everything they buy. They want to know the product's relative quality—and they want to know its relative cost. They want to select the best quality available within the price range they can afford.

But in the purchase of life insurance the familiar yardsticks are useless. What is the best insurance for the money? The question has virtually no meaning. All true life insurance costs about the same—and all is equally good.

For the basic costs of insurance are not raised by the whim of company managers or decreased by competition. These costs are determined by mortality experience. The insurance rate at any age is set by the probability of death as expressed in standard mortality tables.

While it is true that at age 35, for example, you can buy a \$1,000 policy at anywhere from \$9 to \$350, the higher costs are in no way due to costlier insurance. A given amount of insurance in any of these policies costs the same. Any substantial variation is due to the so-called savings element—which in a low-cost policy is little or nothing and in a high-cost policy the major item.

THE best approach to the insurance problem is based on a careful study of the needs of the insured. How much insurance is needed to protect your dependents? How long will they need this protection?

The problem, in other words, centers around amount and permanence.

Each individual must decide for himself the amount of insurance he needs and for how long a period. To make such decisions intelligently, the reader must understand the fundamentals of insurance, as outlined in the December Reports.

There it was shown that the basic cost of insurance must and does increase, year after year, as the age of the insured increases. This increased cost cannot be avoided, no matter what type of contract is purchased and no matter what proportion of savings it contains.

All life-insurance contracts include insurance computed on the one-year-renewable-term basis. The buyer should realize that only in the pure renewable-term policies does the amount of insurance remain constant and permanent.

Official life insurance spokesmen usually stand this truth on its head, insisting that renewable-term insurance is temporary—that only in level-premium contracts (Ordinary-Life, 20-Payment Life, etc.) can permanent protection be obtained.

To set the truth back on its feet, let us examine three representative contracts—a one-year-renewable-term, an ordinary-life, and a 20-year-endowment—to discover what happens to the insurance in each. For convenience, all rates quoted are those of one company—the Eureka-Maryland Assurance Corporation of Baltimore, an old-line legal reserve, non-participating company.

AT AGE 21, three \$10,000 contracts are purchased. The contracts and

their respective costs are as follows:

POLICY	FACE AMOUNT	PREMI- UM
Renewable Term.....	\$10,000	\$77.40
Ordinary Life.....	10,000	150.50
20-Year Endowment ..	10,000	415.70

It should be pointed out that in the first contract, as in all term contracts, the premium increases with advancing years. In the others, the premium remains constant.

In the first contract the payment is for nothing but insurance. The "natural premium" charged includes no overpayments for the creation of reserves or cash values (savings). Therefore, whenever the renewable-term policyholder dies, the death claim of \$10,000 must represent pure insurance, since no reserve or savings has been created to be returned.

Whether he dies in the first year or at age 80, the \$10,000 death claim will represent pure permanent insurance. In all other policies the death claim is made up of two elements—the accumulated savings or reserve and an amount of insurance sufficient to make up the difference. When death occurs under the ordinary-life or the endowment, a death claim in the amount of \$10,000 will also be paid. But this in no way represents \$10,000 of insurance.

For by the fifth year, in the ordinary-life policy, a reserve or cash value of \$230 has been built up. In the endowment, by the fifth year the reserve amounts to \$1,550. Thus in both these contracts, the \$10,000 of insurance originally purchased has not remained constant or permanent. In the former it has decreased to \$9,770, in the latter to \$8,450.

In the fifteenth year the reserve in the ordinary-life will be \$1,180, in the endowment \$6,610. Death at this time, regardless of the reserve, will pay only the face amount—\$10,000 under either contract. The insurance has been further decreased in the ordinary-life to \$8,820, in the endowment to \$3,390. The insurance in the renewable-term contract will still be \$10,000.

IT SHOULD now be clear that only by purchasing renewable-term can you obtain permanent insurance. With ordinary-life, in the twentieth year, the insurance has been decreased to \$8,240 by a reserve of \$1,760. And by this time with the endowment, the enormous overpayments for savings equal the face amount of the contract—\$10,000—which is returned to the policyholder.

The insurance in the 20-year-endowment policy in twenty years has dwindled to zero. The policyholder is no longer insured. Should he desire insurance at this time, he must apply for a new contract and be at the mercy of the company, which is privileged to accept or reject his application. That is, at age 41 the holder of this contract will no longer possess insurance and must pass a new physical examination to obtain any.

Company spokesmen never refer to the endowment as temporary insurance—and never refer to renewable-term as anything but temporary insurance. Yet in the twenty-first year the holder of the one-year-renewable-term contract still has his \$10,000 worth of insurance intact.

Renewal of his contract is automatic, contingent upon nothing but the payment of his premium, which at his attained age of 41 will be at the rate of \$9.96 a thousand. For, once a renewable-term contract is purchased, the holder can never be required to submit to another physical examination. That is what is meant by the automatic renewal privilege—no further examinations.

It is now understandable why life-insurance companies are loathe to sell term insurance to any but the finest risks. In these contracts the insurance liability of the company remains constant throughout the years, never decreasing by virtue of rising reserves or cash values.

The companies prefer instead to

Individual Problems

LETTERS from CU members asking for information and advice on individual life insurance problems have, as an outgrowth of CU's series on insurance, reached flood proportions. We regret that no members of the CU staff are equipped to handle such specific requests. Insofar as possible, we will try to cover them in the regular Reports articles. But questions requiring individual analysis must be referred to a consultant.

Toward the end of making these analyses as accessible as possible, CU has worked out with its consultant a scale of special fees for CU members, averaging about one-fifth of the lowest fees generally prevailing for insurance counsel. The scale is as follows:

General insurance counsel (what kind of policy to buy, comparisons of companies, etc.) \$2
Specific recommendations and analyses (including advice on any necessary changes in the insurance program) of policies up to \$5,000 \$2
Over \$5,000 and up to \$10,000..... \$5
Over \$10,000 and up to \$25,000... \$10
Over \$25,000..... \$15

Fees are payable in advance. If policies are submitted for examination, they should be sent by registered mail, with postage enclosed for their return.

Members wishing this service should send for a questionnaire, covering such information as the following (all information will be kept confidential):

Amount of outside investments; outside savings.

Home rented or owned; amount of mortgage, if any.

Loans other than insurance.

Monthly income your family would require at your death.

Present state of health; date of last examination; details of any rejections.

sell cash-value or "savings" contracts. For savings are nothing more than self-insurance, an indication of the degree to which the individual has become a co-insurer of his own life.

An examination of the 10-year-endowment contract clearly demonstrates why a company will sell this policy to an impaired risk when they would refuse to issue a term contract. The endowment carries a minimum of insurance-protection and a maximum of savings.

As we examine the 10-year-endowment contract keep in mind the important factors of the increasing reserve or self-insurance fund, and the

decreasing net risk or liability of the company. Remember, too, that the amount of insurance in this, as in any, contract is the face amount of the policy less the reserve.

THE illustration to be cited is a \$10,000 10-year-endowment contract of the Eureka-Maryland Assurance Corp. Since cash values in this contract will not be available until three premium payments have been made, the illustration includes figures from the third to the tenth year. The annual premium for this contract purchased at age 45 would be \$935.10.

YEAR	FACE AMOUNT	RE-SERVE	NET INSURANCE
3	\$10,000	— \$2,280	= \$7,720
4	10,000	— 3,240	= 6,760
5	10,000	— 4,240	= 5,760
6	10,000	— 5,280	= 4,720
7	10,000	— 6,380	= 3,620
8	10,000	— 7,530	= 2,470
9	10,000	— 8,730	= 1,270
10	10,000	— 10,000	= 0

The figures above clearly reveal how the insurance company is rapidly relieved of the risk as the policyholder becomes more and more his own insurance company. If the insured were to die in the 10th year of this contract, his beneficiary would receive not one cent of insurance; the liability of the company has been limited to returning the insured's savings!

The institution of life insurance seems to be marked by a peculiar aversion to selling life insurance.

The question that confronts most individuals—what policy shall I buy—ultimately becomes a choice between an investment or savings policy on the one hand and an insurance policy on the other. It cannot be answered without reference to the intentions of the insured.

Are your needs best answered by a policy which contains a minimum of insurance and a maximum of investment? Or are you primarily interested in protecting your family?

Only by buying renewable-term insurance can you obtain permanent, constant protection at a minimum outlay.

The next article will be devoted to an analysis of the various term contracts available to the public, and specific recommendations of the best renewable-term contracts to buy.

Life Insurance Officers Answer Some Questions

A revealing report on some significant testimony before the Senate Railroad Committee; reprinted from The New Republic, December 8, 1937



IN THE course of the Senate Railroad Committee's hearings last month, life-insurance company officers estimated that hundreds of millions of dollars of policy holders' money have been invested by their companies in railroad bonds. The principal insurance executive who testified admitted that about \$500,000,000 of this amount is invested in railroad bonds which are now in default. To salvage the sums thus endangered, insurance managements are participating in the reorganization of some two-score bankrupt railroads. It is contemplated that representatives of the insurance companies may be placed on the directorates of some of the roads when they are reorganized. The Senate Committee inquired into the standards of business conduct of these prospective railroad directors. Insurance executives assured the Committee that their representatives would, as railroad directors, adhere to the same principles which insurance directors and officers respect, and that these principles are of the highest.

The Committee put this broad assurance to the test, by asking questions of officers of the Metropolitan Life Insurance Company and the New York Life Insurance Company who were present:

Question. Would your insurance company regard it as improper if a medical examiner or doctor before whom an applicant for insurance should come should receive a gift from that applicant?

Answer. Yes. . . .

Question. If a banker who sold securities to the life-insurance company . . . made a substantial gift to an officer of your insurance company . . . would that be regarded as proper or improper?

Answer. Very improper.

Question. Suppose . . . that a banker who sells quantities of securities to your life-insurance company should offer to the head of your life-insurance company a

block of stock at less than the market price, substantially less; would that be regarded as proper or improper practice? . . .

Answer. I do not think I care to answer that question. . . .

Question. Suppose that the purchasing vice-president of the Missouri Pacific [Railroad] were offered by a concern selling materials and supplies to it from time to time a substantial block of stock at less than market price; would you, if you were on the board of Missouri Pacific, or on its finance committee, regard that as improper? . . .

Answer. Yes; I think I would. . . .

Question. I asked you whether . . . an officer or director of a life-insurance company that did a substantial business with a banking house . . . could properly receive stock from that banking house at a price substantially below the market. . . .

Answer. I assume that would be a matter of each man's individual conscience.

Question. You think the same thing would be true with respect to directors and officers of a railroad company in analogous situations, that it would be a matter of each man's individual conscience?

Answer. I think that is right. . . .

Question. Do you think . . . that in the purchase of supplies and materials it might be appropriate for a director of a railroad company to receive, from an equipment concern or a concern selling supplies or materials, stock at substantially below the market?

Answer. If he were receiving gifts with the idea of influencing his judgment; no.

Question. Will you answer the question?

Answer. I have answered it to the best of my ability. . . .

Question. Let us suppose that the director of a railroad takes at \$15 below the market a block of stock from a concern that sells equipment from time to time to that railroad; would you . . . regard that as proper?

Answer. Oh, you are asking a lot of impossible questions.

Question. Do you think that sort of thing never could happen in the business world?

Answer. I don't know but what it happens all over the United States, and I don't know whether it is right or wrong either.

Senator. If it happens with a man in public office he is called a grafter.

THE Senate Committee thereupon received evidence that J. P. Morgan and Company, bankers who had sold great quantities of securities to big life-insurance companies and were at the time the leaders in the investment-banking business, had offered blocks of stock to various directors of a number of such companies at about \$15 a share below the market price, and the directors had accepted the offer.

This testimony provided only one instance of the ability of some of the big men in the life-insurance business to take care of themselves. Evidence previously uncovered elsewhere showed that a number of life-insurance executives had, as the depression deepened, increased their already princely salaries with princely salary raises.

The insurance-company managements did not show equal competence in taking care of their policy holders. For one thing, the managements, theoretically the servants of 60,000,000 to 70,000,000 holders, have been selling to their far-flung clientele one of the most highly overpriced articles purchased by the public, either in depression or in boom years. The extent of this overpricing may be measured by the yardstick Louis D. Brandeis provided when he created the Massachusetts life-insurance plan. Tested by the scale of charges which this plan has for years demonstrated to be practicable, the big life-insurance companies have been exacting from their policy holders hundreds of millions of dollars per year too much. Indeed, as the needs of policy holders for a mitigation of their financial burdens became more urgent during the depression, some of the insurance companies actually increased the cost of life insurance. They went further and extorted from the most necessitous of their policy holders unjustifiable interest charges for loans which many of them were obliged to obtain in order to keep their policies alive. Despite the fact that the policy holders provided as collateral for the loans the savings which they had themselves entrusted to the companies, the latter fixed the interest rate at six percent—although at the very time the companies were unable to lend their money on as good collateral for much more than half the interest rate charged to the policy holders.

TO THE story of such extortionate practices, and lining of their own pockets by various life-insurance directors and officers, the Senate Railroad Committee last month added disclosures of the incompetence of the life-insurance managements in rescuing imperiled investments of their policy holders' money. The life-insurance executives who were called to Washington were asked to explain what was being done to salvage the money invested in railroad bonds which are now in default. One executive after another displayed uncertainty, ignorance and incompetence. Almost everything, according to their testimony, was a detail and almost every detail had been left by them to the exclusive knowledge and activity of their lawyers. The life-insurance officers were serving on committees to reorganize the railroads in which the public's money has been invested and lost. But as the testimony developed, it appeared that these committees of insurance-company leaders were rushing heedlessly into dangers they knew not of. In case after case, they hurried down to the Interstate Commerce Commission to support what Wall Street insiders or holding-company promoters were trying to put over on the Commission. In case after case, these insurance-company men had no sooner assured the Commission of the practicality and the value of a proposed reorganization than they were obliged to come back and confess that the proposal they had endorsed was unsound.

Finally the Senate Railroad Committee called before it the biggest maharajah of the insurance world, Frederick H. Ecker, head of the Metropolitan Life Insurance Company. His company is the biggest privately controlled corporation in the United States. It has \$4,500,000,000 of policy holders' savings, more than the aggregate assets of thirty-seven of the forty-seven top life-insurance companies in America. Mr. Ecker, its head, is widely recognized as the dean, the sage and the great man of the life-insurance business, the chief in whom the other life-insurance leaders find their future selves mirrored, if only their dreams can come true.

Mr. Ecker, the Senate Committee developed, had helped to reorganize a number of railroads which had gone into receivership. He had been on the

boards of directors of many such railroads, railroads in territory from the Great Lakes to the Gulf of Mexico, and from the state of Florida to the state of Washington. In every such case the benediction of his presence on a railroad directorate might have served as a premonition of disaster—for every one of them subsequently went into the hands of the bankruptcy courts. To borrow from life-insurance terminology, the mortality rate among these companies was just 100 percent.

Mr. Ecker was not the sole participant in such failure to serve the policy holders. Other executives, drawn from the leading half-dozen life-insurance companies, had helped to reorganize railroads which later went into receivership, and had served as directors of railroads which had to go into receivership again.

ALL apart from any question of the insurance officers' competence in salvaging their companies' railroad investments, their disinterestedness has been called into question. Between the insurance company executives and directors on the one hand, and financiers and the small clique of industrial rulers on the other hand, there is a close association. Many of the life-insurance directors are connected with manufacturers of steel rails, of locomotives and railroad cars, of equipment and material and supplies, which they want to sell to the railroads. These interlocking directorates constitute one more version of what Senator Norris calls "the spider web of Wall Street."

During the recent hearings, light was thrown on the method by which this small clique continues itself in power—continues in power despite excessive charges for loans to policy holders of some of their own money, despite bad investments of their money, despite incompetent service in salvaging the money, despite salary raises when there should be salary reductions, despite waste and extravagance and lining of officials' and directors' pockets. Mr. Ecker, the greatest man in his company, itself the greatest of all the life-insurance companies, was asked how the directors of his company got themselves into a position of such power. His evidence disclosed that at the most recent election of his company, directors were elected by the vote of less than two

percent of the policy holders of the company, and even this insignificant percentage had been obtained only because insiders control a strong political organization and the company's powerful election machinery. The management sends proxies to the companies branch offices and, with the help of the vast army of insurance agents, garners in the votes necessary to perpetuate itself in control.

No policy holder, no group of policy holders, would be able to unseat any of these insurance-company managements. Even if protesting policy holders, theoretically the masters of these insurance companies, could get the names and addresses of their fellow policy holders, this information would be useless to anyone seeking to rally them for purposes of reform. To send a single letter to every policy holder of Metropolitan Life Insurance Company would cost a protesting group more than \$1,000,000, for postage, printing and addressing. In such a fight, the entrenched management would be able to use and to spend the grossly swollen resources of the company, the savings of the policy holders themselves, for propaganda, for advertising, for printing, for mailing of circulars, to beat down any opposition.

The men in control of the Metropolitan Life alone now dominate a larger volume of the public's savings than the entire life-insurance industry had gathered together from the people of this country by the time Charles Evans Hughes conducted his insurance investigation thirty-three years ago. Who in the world of policy holders could stand up against a coterie of insurance directors and officers armed with so great a treasury of the resources belonging to other people? What state legislative committee could really probe to the bottom of the doings of such men?

IT IS a long time since life-insurance executives have been made to answer questions in public about their conduct of this ubiquitous business. Indeed, until their appearance before the Senate Railroad Committee in November of this year, they had been free from such annoyance for a third of a century. The last time was when a New York State Legislative Committee employed the present Chief

Justice of the United States; the resulting investigation unseated insurance-company managements and started Charles Evans Hughes on the road to fame.

In 1934, the insurance officials were reminded of that far-off time. The grapevine brought the news that the staunch and valiant Senator Fletcher of Florida was planning, with Ferdinand Pecora's help, to probe into their doings. Immediately a lawyer became active in Washington; the usual plausible arguments were disseminated throughout the capitol; the purse strings were pulled tighter to choke off any further activities by Fletcher and Pecora; the threatened investigation was killed. But another inquiry loomed early this year. A resolution was introduced in Albany for a New York State legislative investigation. The life-insurance leaders promptly put that resolution to sleep. The State Superintendent of Insurance appeared before the State Legislative Committee and, with that fine air of impartiality which is so customary in such cases, helped to prolong the peaceful immunity insurance leaders have so long enjoyed.

In November of this year, however, they began to see that they have been

living in an unreal paradise. Those who were summoned to Washington in the railroad investigation said little, but even a little was too much. It became evident that beneath a fair-seeming surface lies a great deal that should be cleared out. It became evident that the Hughes investigation of 1904 was a mere trifle compared with what an investigation of the present day would mean. The life-insurance managements of that time were the custodians of less than three billion dollars of the people's savings. Today they are the custodians, the managers, the trustees and the lords of twenty-four billion dollars of the people's savings. Indeed, if the big insurance companies continue to get hold of the people's money at a rate of increase corresponding to that of the last thirty years, in another thirty or forty years a small clique of life-insurance executives and directors will control all the wealth of the United States.

This group has throughout the recent depression enjoyed a charmed life such as no other class of financial leaders in this country has had. The international bankers, who floated foreign government loans in this country, were subjected to a Senate investigation at the very beginning of the de-

pression period. Two years later the Stock Exchange leaders and speculators were grilled. Next in the procession before the congressional investigating committees came the big Wall Street banking firms and the heads of the big Wall Street banks. Next came the holding-company bankers and promoters and the railroad bankers and presidents. The public-utility leaders had their day, too, before congressional and administrative investigating bodies. And the leaders of the telephone industry had to go to Washington to testify. But the life-insurance men, protected by some hidden amulet, remained unmolested in their high towers.

Now the question has begun to circulate among the newspaper men in Washington, among Congressmen and Senators on Capitol Hill, among officials in the administrative departments in Washington, whether the life-insurance executives will at last be called to account—or whether, despite the depression through which the country has passed, despite a second depression in which it may be finding itself, luck and skill and almost untold power will save the princes of life insurance once more.

T. R. B.

Contents of Back Issues

THE following list gives the complete contents of *CU Reports* (full edition) for 1937. Anyone wishing to order copies may do so by filling in the coupon. The price is twenty-five cents per copy.

January-February, 1937

Men's Suits, Shaving Soaps & Creams, Coughs & Colds, Hand Lotions, Men's Socks, Maple Syrup, Children's Underwear & Sleeping Suits.

March

1937 Automobiles (ratings of low and medium price models), Muslin Sheets, Face Powders, Flour, Canned Asparagus & Cherries, Nose Drops (cont'd).

April

Aminopyrine, Cold Creams, Men's Shirts, Radios (medium and high price models), Growing Your Own Vegetables, Automobiles (higher-priced models).

May

Automobile Trailers, Washing Machines, Fresh Fruits & Vegetables, Moth Preparations, Garden Pests and Their Control, Constipation (first of a series).

June

Non-Miniature Cameras, House Dresses, Flashlights, Shoe Whiteners, Radio Tubes, Sanitary Napkins, Poison Ivy, Canned Peaches & Tomatoes, Report of CU's First Annual Meeting, Constipation (cont'd).

July

Miniature Cameras, Electric Fans, Gasolines, Golf Balls, Tennis Balls & Rackets, Ice Boxes, Bathing Suits, Summer Motor Oils, Sunburn Preventives, Mechanical Refrigerators (preliminary), Constipation (cont'd).

August-September

Mechanical Refrigerators, Ice Cream, Photographic Films, Exposure Meters, Range Finders, Filters, Tripods & Synchronizers,

Inner Tubes, Fish Baits, Raincoats, Electric Clocks, Constipation (cont'd).

October

Price-Fixing, Women's Slips, Household Oils, Automobile Radios, Breakfast Cereals, Oil Burners, Boilers, Coal Stokers, Warm-Air Furnaces, Constipation (cont'd).

November

Life Insurance (first of a series), Anti-Freeze, Portable Typewriters, Men's Hats, Constipation (concluded), Sewing Machines, Canned Pears, Grade Labeling.

December

Electric Shavers, Neckties, Lipsticks, 1938 Automobiles (preliminary survey), Life Insurance (cont'd), Cigars, Toys, Dolls, Chemistry Sets, Mechanical Toothbrushes, 1938 Radios, Canned Baked Beans & Salmon.

(All issues also contain reports on the labor conditions under which various of the products are made.)

Consumers Union, 55 Vandam St., New York, N. Y.

Please send me the following issue(s):

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January, 1938

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New minimum prices for **COAL** are set without hearings



ON DECEMBER 16, 1937, minimum selling prices for producers of bituminous coal were put into effect by the Bituminous Coal Commission.

The action was taken without the public hearing provided for by the Bituminous Coal Act, despite protests by the Consumers' Counsel set up under the Act.

It was taken despite last minute efforts of consumer representatives to have the date postponed until a hearing could be held.

It was taken without any revelation from the Commission as to the data on which the prices were based.

The new scale raises the minimum mine price of the smaller sizes of coal, and reduces slightly the price on the larger household sizes. Was the raise justified? Should the reduction have been greater? It is quite possible that these questions should properly be answered "no" and "yes" respectively.

But they can't be answered at all until the Commission tells how it arrived at its scale. Pressure has forced two public hearings *since* the prices were set; and the Commission withheld the desired information at both.

This is obviously something short of democratic procedure. It is also directly contrary to the provisions of the Act. The Consumers' Counsel, Mr. John Carson, has observed that the only alternative to the satisfactory operation of the Bituminous Coal Act is government ownership and control of the mines. The Commission is performing admirably toward that end.

Several municipal governments, large users of the coal sizes on which prices have been raised, are reported to be contemplating legal action to force from the Commission its pricing data. After the second hearing had come to nothing, early this month, CU sent a wire to Mayor LaGuardia of New York in support of such action.

Other consumer organizations, and consumers generally, are urged to make similar appeals to the mayors of their cities. For the possibility of municipal action seems to offer the liveliest hope for breaking through the Commission's secrecy.

THE Bituminous Coal Act was passed in an attempt to rehabilitate an industry that had suffered more since the war from a general lack of any sort of regulation than any other industry in America.

Briefly, the Act provides:

1. A Coal Commission in the Department of the Interior consisting of seven members with power to fix minimum prices and to make rules and regulations for carrying out the other provisions of the Act.

2. A Consumers' Counsel to represent the interests of the consuming public before the Commission.

3. A bituminous coal code stipulating twenty-three district boards made up of producer code members, who are required to report all important production data to a statistical bureau. Each district is supposed from time to time to propose minimum prices for kinds, qualities and sizes of coal produced in its area, classification of coal and price variations as to mines, consuming market areas, values as to uses, and seasonal demand.

In addition the Act provides an excise tax of 1c for every ton of coal sold; definitions for unfair methods of competition; and, for employees of coal producers, the right to organize and bargain collectively.

THE Consumers' Counsel, realizing that there was to be no public hearing prior to the establishment of prices on December 16, called together in Washington on December 9 and 10 representatives of various consumer groups. At this meeting a special committee was set up and two resolutions drafted for presentation to the Commission.

One resolution petitioned the Commission to postpone the effective date of its proposed prices for at least 30 days after full information had been furnished to the Consumers' Counsel, and to call a public hearing of consumers to afford them opportunity to be heard upon the proposed prices.

A second resolution pointed out that the price and classification schedules as published by the Commission did not designate for all districts the basis of quality differences between coals of the different mines, and requested that all the new analyses submitted by

the districts be made public property.

Forced to take some notice of the opposition to its procedure, the Commission granted the special committee of the consumer groups an audience with one Commissioner. Out of this meeting came three promises: (1) that there would be a public hearing; (2) that the pricing data would be forthcoming; (3) that all quality analyses of coals would be made public.

The first promise was kept, in the Commission's own fashion. A public hearing was held on December 21—five days after the prices went into effect—and was promptly adjourned. Another hearing was called for January 4; it was held, and adjourned. No pricing data were put forth.

With the quality analyses the Commission has been somewhat freer. It has published analyses for a few districts, and given signs that it does actually intend to publish others.

EVEN in the face of the Commission's autocratic procedure, consumers might benefit to some extent from the lowered prices affecting household coal. But it seems quite generally agreed that the reduction in these sizes will not be passed on. The Commission fixes prices at the mines, and has no control over the retail margin. Consumers should therefore watch prices carefully, and demand reductions on the grounds that the Commission has reduced the f.o.b. mine price.

Consumers, especially those who can buy through consumer cooperatives, might also contract for coal with reference to chemical analysis. Under the Coal Act, analyses will be made available to the Commission. Dealers should have them and consumers are entitled to know them.

Write the Consumers' Counsel for the pamphlet called "How Much Heat," which gives important information for buying coal on a quality specification basis. Also express your desire to the Counsel that he maintain a very careful check on future actions taken by the Commission.

CONSUMERS UNION of UNITED STATES, Inc.

A NON-PROFIT MEMBERSHIP ORGANIZATION OF CONSUMERS

55 VANDAM STREET, NEW YORK, N. Y.

ESTABLISHED FEBRUARY 6th, 1936

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Membership fees are \$3, including subscription to the full edition; and \$1, with subscription to the limited edition. Reduced group membership fees are available to students, members of trade unions, consumer clubs and other organizations. For details of these fees write to the Group Membership Department.

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The Old Question

FOOD, drug, and cosmetic legislation is again coming before Congress for action. And again the old question arises: who is to be protected by this legislation?

Not since the original Tugwell bill was emasculated by Senator Royal S. Copeland in 1933 has either the Senate Commerce Committee or the House Interstate and Foreign Commerce Committee brought forth a bill honestly written to give decisive protection to consumers.

Senator Copeland, long a paid employee of patent-medicine concerns engaged in defrauding consumers on a grand scale, has talked consumer protection while writing measures which would protect the profits of his patent-medicine employers and their colleagues.

In the House, Congressman Chapman, with no financial ties to industry, has done a far better job of convincing consumers that his writing of food and drug legislation has been solely in their interest. Yet anyone who witnessed his courteous and attentive reception of the representatives of the Lydia Pinkham company, at hearings on one of his bills in 1935, and his impatience with consumers' testimony, knows well enough where his basic interests lie.

So far as consumer protection is concerned, the bills of both Senator and Congressman have been frauds.

Despite their fine language, which has appeared to outlaw all kinds of hazards and deceptions, the bills of these legislators have been full of legal and administrative loopholes which would effectively protect the most powerful, and the most dangerous, malefactors—even if some of the small ones unable to hire expensive counsel might be caught up in government nets.

The latest gesture of Senator Copeland—his introduction of legislation providing licensing controls for new drugs, to prevent a recurrence of the sulfanilamide tragedies—should deceive no one. The Senator introduced the original Tugwell bill, too—and later lopped off its drastic provisions.

During the more than four years of controversy over food and drug legislation the final passage of the Copeland bills has been prevented, not by consumers demanding honest legislation, but by conflicts of interest among industries affected by the measures.

In the congressional debates on this legislation, hardly a voice was raised for consumers. It was clear that the participating legislators considered themselves representatives of medicine manufacturers, cosmetic manufacturers, food manufacturers, distributors, advertisers, and publishers.

Must our senators and congressmen continue to accept the dictates of some of the most disreputable elements of the business world?

Must the men who sell and promote dangerous and shoddy products be permitted, in effect, to write the legislation supposed to protect consumers against such products?

Consumers and consumer organizations can, if they will, answer these questions with a powerful "No!"

United action of consumer organizations could put an end to this tragic farce, in which business gangsters and racketeers write the nation's laws. But a consumers' rebellion against fake legislation can be effective only if consumers are willing to put forward and battle for their own legislative measures.

Consumers Union has sponsored a measure in the form of the bill (HR-5286) introduced by Congressman John M. Coffee on March 3, 1937. We don't maintain that this is the best of all possible bills, or that it will bring perfect protection, or that it cannot be in many ways improved. But it is an honest start. And we will gladly join with other consumer organizations to revise the Coffee bill, or to write a totally new bill, if this seems necessary and advisable.

Meanwhile, local consumer groups can do important work by pressing for state food, drug, and cosmetic legislation. A revision of the Coffee bill, adapting it for adoption by state legislatures, has been introduced in the states of New York and Wisconsin.*

Food and drug bills more drastic than present laws have already been passed by the legislatures of California and the State of Washington, and in both cases only governors' vetoes prevented enactment. Consumers in these states should demand new action on the vetoed bills.

In other states, forces should be marshaled for a long, hard fight to carry through effective consumer legislation. Indeed, the best hope for good *federal* food and drug legislation is in the passage of good *state* laws in those states where progressive leadership can challenge the power of the industry lobbies.

Consumers Union welcomes the cooperation of, and offers its help to, all consumer organizations for a fight on both national and state fronts, toward the end of honest and effective consumer protection.

We urge consumers, and consumer organizations, to take the following steps—now:

1. Demand directly, and through your congressman, that the House Interstate and Foreign Commerce Committee call hearings on the food, drug, and cosmetic bill introduced by Congressman Coffee, and report it for action by the House.

2. Send to Consumers Union for a copy of the state version of the Coffee bill, and get your representatives in state legislatures to introduce it.

3. If you have any questions relating to the Coffee bill's provisions, write to Consumers Union; and if you are an officer of a consumer organization, indicate your willingness to take part in a national conference for the formulation of protective food, drug, and cosmetic laws.

* In New York—Assembly No. 963, introduced by Holley and Esquirol, February 9, 1937. In Wisconsin—No. 844 A, introduced by Biemiller and Sigman, April 14, 1937.